

BIBLIOTHEQUE DU PARLEMENT
LIBRARY OF PARLIAMENT



3 2354 00409 736 9

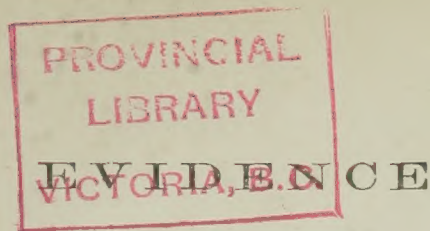
DATE DUE

APR 15 2005

Can
Com
Agr
191

GAYLORD

PRINTED IN U.S.A.



GIVEN BEFORE THE

SELECT STANDING COMMITTEE

ON

AGRICULTURE AND COLONIZATION

SESSION 1912-13

RESPECTING

THE FRUIT INDUSTRY



PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

TABLE OF CONTENTS.

Evidence of the following:—

	PAGE.
Mr. J. A. Ruddick, Ottawa, Ont.	1
Mr. Daniel Johnson, Forest, Ont.	20
Mr. S. B. Chute, Berwick, N.S.	47
Mr. W. S. Foggo, Vernon, B.C.	73
Mr. James Hardwell, Ottawa, Ont.	92

THE FRUIT INDUSTRY

HOUSE OF COMMONS,

COMMITTEE ROOM No. 105,

THURSDAY, January 30, 1913.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock, the Chairman, Mr. Sexsmith, presiding.

The CHAIRMAN.—We have with us this morning Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner. He has come prepared to answer questions in regard to the fruit industry, and I have no doubt will be able to afford you considerable information.

Mr. RUDDICK.—Mr. Chairman and Gentlemen: It would be impossible, I suppose, for one to come here and answer all the questions that might be asked, but I have prepared myself for such questions as I thought were likely to be asked with respect to the fruit growing industry so far as it relates to the Branch of the Department with which I am connected. In the Department of Agriculture there are two Branches that deal with this industry. There is the Division of the Dominion Horticulturist, Mr. W. T. Macoun, at the Experimental Farm. The Dominion Horticulturist deals with the actual production of fruit, especially in connection with the Experimental Farm system, but he also acts in an advisory capacity to the fruit growers at large. In the Branch of which I have the honour to be chief officer, we deal more particularly with the commercial side of the industry, and our work includes the administration of the Fruit Marks Act, matters of transportation, marketing, etc. We also publish a monthly fruit crop report from May to September of each year. I thought it well to make this clear before we proceed.

Now, Mr. Chairman, is it your desire that I should proceed to follow my notes, or do you simply wish me to answer the questions put to me?

The CHAIRMAN.—Perhaps it would be just as well for you to proceed, and the members of the Committee can put any questions that occur to them.

Mr. RUDDICK.—The season of 1912-13, which is now drawing to a close, has been a little unusual in certain respects and fruit growers in some parts of the country have found themselves up against new difficulties. While in some districts the apple crop was larger than in the previous year, in other sections the crop was smaller. In Nova Scotia, as you all know, the crop of 1911 was a record one, being nearly double that of any previous year, and there was shipped out of that Province something like 1,700,000 barrels. For 1912 the crop will be very much smaller. What the figures will be we do not yet know, because there is still a large quantity of apples to be shipped, but I should say the shipments will not be much over half as large as they were in 1911. The quality of the apples over the greater part of the country was not up to the standard of previous years. The season was a peculiar one; there was a great deal of damp weather and a lot of rain, which interfered to some extent with spraying operations and was very favourable to the growth of fungus diseases. Then the cold weather and the lack of sunshine influenced the character of the crop to some extent by producing much smaller fruit in certain varieties, especially the

3-4 GEORGE V., A. 1913

later varieties, and the colour was below normal. There has been more complaint about the small size and poor colour than usual, especially in Nova Scotia.

Another feature, and one which will be noticeable in years to come, was the large number of orchards coming into bearing in many parts of the country. This was particularly true of Nova Scotia and British Columbia, and where a great many new growers and packers are appearing in the business every year.

With respect to the markets there was not, as far as prices are concerned, a great deal of difference between 1912-13 and the previous season.

At the present moment the markets in the Old Country are about on a par with what they were this time last year. With some varieties they run pretty much the same, but both years' prices are lower than they were in 1910-11.

By the Chairman:

Q. What is the method of packing and marketing fruit in Nova Scotia?

A. Do you mean what is the style of package?

Q. Yes. Is the packing done by the farmers?

A. The growers in that province use very largely the minimum standard barrel. They are also beginning to pack quite a quantity of their better apples in boxes. This year, up to date, the Nova Scotia growers have shipped 42,000 boxes of apples. This is a trade which has developed within the last two or three years.

Q. Is the marketing done on the co-operative plan?

A. There are in Nova Scotia 26 Co-operative Societies formed among the fruit growers themselves for the purpose of handling their crops. All these societies, with the exception of one, are members of a central body known as The United Fruit Companies. That is a selling organization for all these societies and they are meeting with very fair success in carrying on the work.

Q. Is there a standard size for boxes all over the Dominion?

A. The law requires that when apples are packed in Canada *for export* for sale by the box they should be packed in good strong boxes of seasoned wood, the inside dimensions of which shall not be less than ten inches in depth, eleven inches in width and twenty inches in length.

By Mr. Wright:

Q. Does the same rule apply to shipments of apples from one province to another?

A. Generally speaking, that has not been the interpretation of the word 'export' in connection with the administration of the laws of this country, that it applies to inter-provincial shipment.

By the Chairman:

Q. In connection with the co-operative system of Nova Scotia, have the growers there handled the packing and conducted the selling in the Old Country?

A. This year they have sent a representative to the United Kingdom, but I cannot say to what extent they have handled the selling end. I have not seen their reports yet for the season's work.*

Q. What percentage of apples of that province have been handled under the co-operative method?

A. Well, I would not like to say offhand.

Q. It is small, is it?

A. No, I think it is pretty large, and my opinion is, from the way things are going, they will probably handle the bulk of the apples in the very near future by that method. They seem to have been organized on good lines, and the conditions there favour that method. The territory is a compact one and that facilitates the co-operative plan of selling. The prospects for success there are excellent.

Q. In that case the result would be better prices for the producer and lower prices for the consumer. I presume?

APPENDIX No. 5

A. I do not think the producers are organizing with a view to making lower prices for the consumers; they are probably making better prices for themselves.

By Mr. Best:

Q. What is the principal market for the shipper of the Nova Scotian apples?

A. London is their principal market; last year, as I have told you, they shipped altogether, or at least they marketed over 1,700,000 barrels. It was estimated that 150,000 barrels were required for the home trade, 176,000 barrels were shipped West, including Ontario and Quebec points.

Q. Can you tell us the difference between the profits on what was sold in the Old Country and in the West respectively?

A. No, I cannot tell you, that information has not been published at all. Speaking of the shipments of Nova Scotian apples to the western markets, when I said last year I meant 1911, not 1912; that was the first year in which Nova Scotian apples appeared in any quantity in the Western markets. They were sold as far West as Vancouver; I personally saw Gravensteins sold in that city and they gave excellent satisfaction and were, I think, very much appreciated by the consumers, especially by old Nova Scotians. Last year (1912) they had some difficulty on account of the quality of the fruit. There was some scab and the Gravensteins did not do quite as well, so that there were not so many shipped as in the previous year. Down to the present time, I think, as near as I can find out, we have not the complete figures yet, there were only 33,000 barrels of Nova Scotian apples shipped west of the Lakes. I do not know how many came to Ontario and Quebec, but there were quite a large number came to Montreal and to points west.

By the Chairman:

Q. To come back to the question of co-operation, do they reduce the cost of marketing the apples by co-operating?

A. I do not know that it has reduced greatly the actual cost, but the profits of handling the apples have gone to the producer.

Q. You are not in a position to tell us how much profit they made?

A. No.

By Mr. Sutherland:

Q. It dispenses with the middleman?

A. With one middleman.

By the Chairman:

Q. They sell to the wholesale fruit men?

A. To the wholesale fruit men on the other side, and they ship to the Western wholesalers.

By Mr. Best:

Q. What province produces the best quality of apples?

A. I do not believe any province produces the best quality. I think there are apples produced in any of the provinces that are better than those produced in any other province. I do not mind answering that question at all, and I can say frankly that I believe there is no Gravenstein produced anywhere in Canada that equals the Nova Scotia Gravenstein. I believe there is no Fameuse, or 'Snow' apple, as some of you call it, produced anywhere in the world equal to that produced in the Province of Quebec. The Ontario Spy is almost in a class by itself. In British Columbia you have the 'Newtown Pippin' and the 'Spitzenberg,' which are superior to the apples of those varieties produced in any other part of the country. That is a very important matter and it has a very important bearing on the fruit growing industry; it is essential that the growers in the different Provinces should study very carefully the varieties which they can produce to the best advantage, and having ascertained that,

3-4 GEORGE V., A. 1913

each province should seek to specialize in the production of that particular variety or varieties.

By Mr. Schaffner:

Q. What variety is the best seller in London now? The Nonpareil?

A. It depends on the season of the year. Kings are probably selling highest just now. Nonpareils may be better later on.

By Mr. Webster:

Q. It is a high quality apple.

A. It has certain qualities, among others that of long keeping, which is not so important as it was before the days of cold storage. With regard to the 'King,' it stands rough handling better than the 'Spy' does, if it gets a little bruise it does not deteriorate as quickly. There is no apple so subject to the common rot as the Spy unless the skin is whole. It is a good keeper, one of the very best, if it has a perfect skin. Then take the 'Ben Davis,' there are times when it sells better than any other apple in the market; we all know that the quality is not very high and that it should not be placed on the market too early. It is relatively a good apple along in April or May and that is the time when it should be put on the market as its keeping qualities make it compare very favourably with other varieties on the market at that time. There are a great many things in this connection that should be carefully studied, such as varieties most suitable for certain seasons, and the varieties that keep best in cold storage. I have had 'Kings' kept in cold storage that were in good condition in the following summer, retaining their flavour, texture and every other quality. To give you another instance, take that famous apple known as the 'Cox's Orange,' one of the finest dessert apples in the world in its right season. That apple will keep for a certain period but after that, although it will be perfect as far as outward appearance goes its quality will be all gone. These things should be studied by those handling the fruit business. It will pay to be more careful in marketing the different varieties at the proper season. A great many mistakes are made in putting apples on the market before they are ripe, fruit which is not ripe when taken off the tree. A very large quantity of apples have been shipped in a green, immature condition. I might say that remark applies to all kinds of fruit. Of course, I know there are many things that have to be taken into consideration, a grower cannot pick all his apples on the same day, they cannot all be shipped at the same time, but it is a serious damage to the fruit trade to have this immature fruit put on the market. I am speaking now from the standpoint of the consumer.

By Mr. Marshall:

Q. That applies to all fruit, not to apples alone?

A. I think so. A great many very green grapes were put on the market this year.

By Mr. Schaffner:

Q. Apples from Nova Scotia this year did not keep well at all.

Mr. WEBSTER.—It was the same with our Ontario apples.

By Mr. Schaffner:

Q. How do you explain that?

Mr. WEBSTER.—Too much moisture.

Mr. RUDDICK.—Possibly that is the most plausible explanation. There are physiological questions in connection with the growing and keeping of apples which I must confess are not yet understood very well, but we know by experiment and from long observation that a well-coloured apple, for the variety, will keep longer than a green apple.

Mr. WEBSTER.—I certainly agree with you.

APPENDIX No. 5

By Mr. Schaffner:

Q. Would that apply in all cases?

A. I think so. Of course, I mean, as I said before, a well-coloured apple for the variety.

Mr. WEBSTER.—Greenings are keeping very well this year, and I have seen years when they wouldn't.

Mr. RUDDICK.—Greenings are subject to 'scalding' but if they have a little blush they very seldom scald.

By Mr. Steele:

Q. Would you mind outlining what principles are followed in the grading of apples?

A. You mean under The Fruit Marks Act? I cannot do better than quote to you from the Act:—

'321. No person shall sell, or offer, expose or have in his possession for sale, any fruit packed,—

(a) in a closed package and intended for sale unless such package is marked as required by the provisions of this Part;

(b) in a closed package, upon which package is marked any designation which represents such fruit as of,—

(i) Fancy quality, unless such fruit consists of well grown specimens of one variety, sound, of uniform and of at least normal size and of good colour for the variety, of normal shape, free from worm holes, bruises, scab and other defects, and properly packed.

(ii) No. 1 quality, unless such fruit includes no culls and consists of well grown specimens of one variety, sound, of not less than medium size and of good colour for the variety, of normal shape and not less than ninety per cent free from scab, worm holes, bruises and other defects, and properly packed.

(iii) No. 2 quality, unless such fruit includes no culls and consists of specimens of not less than nearly medium size for the variety, and not less than eighty per cent free from worm holes and such other defects as cause material waste, and properly packed.'

A cull is defined as 'including fruit that is either very small for the variety or immature, or the skin of which is broken so as to expose the tissue beneath, or that is so injured by insects, fungi, abnormal growths, or other causes, as to render it unmerchable.'

By the Chairman:

Q. There is no third grade allowed on the market?

A. There is no definition as to third grade apples on the market, but they are not prohibited.

By Mr. Bowman:

Q. Supposing a shipment of apples is sent to the West, say a carload lot, and when that shipment is examined by one of our Dominion Inspectors, it is found that the apples were falsely marked: that they are not of the grade they are represented to be. The Inspector labels them as falsely marked. What is done with these apples then?

A. The Inspector does nothing further with them. They are at the disposal of the shipper to do as he sees fit.

Q. And they can be disposed of in the community without making known their quality?

A. There is no interference with the movement of the apples at all.

3-4 GEORGE V., A. 1913

Mr. BOWMAN.—I am informed that the owner of these apples, after our inspector has found them to be wrongly marked can turn around and sell them to any retailer in the village. That retailer can place them in his store and sell them as an open package, and in that way the consumers are not aware that they are buying third grade apples. They may be labelled as first-class by the shipper and the consumer may have to pay a large price for them. I think there should be some method of protecting the consumer. The law protects the middleman but does not protect the consumer and it seems to me there is a defect there.

Mr. RUDDICK.—We are simply administering the law as it is.

By Mr. Webster:

Q. Have you not found that a great deal of damage is sometimes done to our best fruit by packing with too much pressure, in the hands of inexperienced men? My experience has been that a great deal of our best fruit is damaged in the barrel by improper packing.

A. I think there is a great deal of damage done in that way. As a matter of fact, all barrelled apples are bruised to a certain extent. I never saw a barrel turned out at Liverpool or anywhere else without all showing bruises. It is not the way to handle high grade fruit and expect high prices for it. Lately there has been a very big increase in the use of boxes for handling all sorts of fruit. This year we have exported to date about 57,000 boxes from Montreal. From Nova Scotia there has been exported this year to date about 42,000 boxes. Two years ago there were practically no boxes exported from Nova Scotia.

By Mr. Thornton:

Q. The 57,000 boxes would probably be for Ontario apples. What is the price of a barrel as compared with the boxes?

A. There is not very much difference. The barrel costs from 45 cents to 48 cents. This year the boxes could be bought for 14 cents to 15 cents and in some cases more.

Mr. WEBSTER.—I think 16 cents was asked in some places. The price is going up all the time.

By Mr. Steele:

Q. What are the advantages in using the boxes?

A. The advantages are first that the apples are handled individually and there is a better grading on that account. Then they are wrapped in paper—or should be—and packed carefully in layers, and in this way the fruit is not bruised to the same extent as it is in barrels.

Q. Can you give us an idea of what the cost to the farmer would be of putting up three boxes as compared with one barrel?

A. That would depend a good deal on the facility with which he could get proper packers. The packing of apples in boxes is not a matter to be acquired in a day. It takes some training, and it is sometimes difficult to get good packers. I suppose it would take a little longer time to pack three boxes than one barrel, but it would surprise you to see how quickly these experts can pack a box.

Mr. WEBSTER.—You may say the same of packing in barrels.

By Mr. Marshall:

Q. As regards transportation, what is the difference in cost between boxes and barrels? Three boxes will weigh more than a barrel.

A. I don't think there is much difference.

Mr. WEBSTER.—It depends on what your boxes are constructed of. Generally speaking they would weigh about seven pounds more than the barrel.

Mr. RUDDICK.—It depends on your barrel, of course.

APPENDIX No. 5

Mr. BOWMAN.—Are better prices realized?

Mr. RUDDICK.—Generally speaking; of course, the fruit is usually better.

Mr. SINCLAIR.—Is it customary to wrap them in paper?

Mr. RUDDICK.—That is not universally practiced; but the better packers do it.

Mr. SINCLAIR.—That adds to the cost?

Mr. RUDDICK.—It is easier to pack, and it does not add anything to the cost, except the paper. A man—or a girl—who is an expert, will pack the apples, using papers, more quickly than without them. The apples lie in the boxes a lot better with the wrapping around them.

An Hon. MEMBER.—What sort of paper is used?

Mr. RUDDICK.—A kind of tissue paper.

Mr. SINCLAIR.—The Truro Agriculture College teaches that method of handling apples to their students.

Mr. RUDDICK.—They use a rubber tip on their fingers to pick up the paper, and with one twist of the hand the apple is wrapped.

The CHAIRMAN.—There is one point upon which I would like information. It has been reported that farmers sell their apples on the tree for 75 cents a barrel, and the consumer in the West pays \$5 and \$5.50 a barrel for them. Have you any information about that?

Mr. RUDDICK.—I rather expected that that would come up. In the first place, I would say that I do not think many farmers were obliged to sell their apples for 75 cents a barrel on the tree. My Chief Inspector in the Lake Ontario District, who is a well-informed apple-man, was asked to give an idea as to what would be a fair price for the farmers of that District last season, and he says a dollar a barrel for independent growers and about \$1.75 for the co-operative growers.

Mr. ARMSTRONG (Lambton).—Have you made any inquiry about Western Ontario?

Mr. RUDDICK.—It varies, but in some places they have been paid \$1.75 a barrel.

Mr. BOWMAN.—In my county we got 50 cents per barrel on the trees.

Mr. RUDDICK.—I think you will find in Norfolk County that the growers got as much as \$1.75.

Mr. WALKER.—Thousands of barrels went to waste last fall in my County, which is in the Lake Ontario District.

Mr. WEBSTER.—What did Mr. Armstrong say he bought barrels for in his County last summer?

Mr. ARMSTRONG (East Lambton).—Forty cents.

Mr. BEST.—In the County of Dufferin apples were sold as high as \$1.50 a barrel, while others rotted in the orchards. Where there was an orchard with Northern apples they were sold at from \$1 to \$1.50, according to the quality. Where a whole orchard was sold out, not more than 75 cents per barrel might be realized.

Mr. ARMSTRONG (East Lambton).—I am satisfied that Mr. Ruddick is not at all in touch with what has been going on if he believes that the farmers have been receiving such an amount of money. We are encouraging the farmers to go on developing the fruit industry and to spend a lot of money in having their orchards pruned and taken care of, and we apparently have got to where we do not seem able to handle our apples and get them out to the fruit markets. This is the case every year when we have a large quantity of apples. I would like to ask Mr. Ruddick also what he is doing in the direction of developing the small fruit industry.

Mr. THORNTON.—Just before Mr. Ruddick speaks—in my part of the country there were thousand and thousands of barrels sold on the tree for \$1 a barrel; and there were thousands that could not find a market at all which rotted on the ground.

3-4 GEORGE V., A. 1913

The market was flooded with apples early in the season. More apples were offering than the markets could handle.

Mr. RUDDICK.—I do not think I got quite through with my explanation before I was taken up on that point. I know that apples have been sold for \$1.75 on the tree; I know also that there were lots of other apples which could not be sold at 50 cents, but I was not intending to elucidate that point further. What I want to explain, Mr. Chairman, is the difference between the selling price and the price to the consumer. If you will allow, for the sake of calculation, that the farmer receives \$1 a barrel on the tree and the package costs 45 cents; then add the cost of picking and packing, which some of the fruit growers—Mr. Elmer Lick, for instance—say can be done for 17 cents; then add the management expenses or the commission to a local buyer, which ever you like, about 19 cents, you have a total of 81 cents of cost in putting these apples on the cars in addition to the price paid the farmer. The freight from Ontario points to Winnipeg will average about 80 cents a barrel in ordinary cars; in refrigerator cars it will cost more.

An Hon. MEMBER.—That is in carloads?

Mr. RUDDICK.—Yes. The broker's commission I put at five per cent, 12 cents, and they get ten per cent in some places. Then these brokers sell to a retailer, and I suppose it is only fair to say that the retailer should have fifty cents a barrel. This estimate does not take any account of losses or anything of that kind. The cost to the consumer in Winnipeg on that basis would be \$3.23.

By Mr. Thornton:

Q. That is the actual cost laid down at Winnipeg?

A. Yes. But you tell me these figures are too low, and that it will cost more than I have stated to pack a barrel of apples.

By the Chairman:

Q. How much do you allow for transportation?

A. Eighty cents a barrel.

By Mr. Webster:

Q. Do I understand your figures to include the cost of picking and packing?

A. Yes, that includes the cost of picking and packing.

Mr. WEBSTER.—I could not do it for that price.

By Mr. Armstrong (Lambton):

Q. Do you mean to say the cost of packing is only 17 cents a barrel?

A. I am giving you the figures that Mr. Lick gave me. He and his co-workers say that is their actual cost; that is what it costs them with their own men.

Q. Do you really think a man can pick and pack apples, even on the co-operative plan, for 17 cents a barrel?

A. I am not offering any opinion on the point, I am only quoting the figures given by a man who knows what he is talking about.

Mr. MARSHALL.—How many barrels can a packer pack in a day?

Mr. WEBSTER.—He can pick and pack about eight barrels, possibly, but he has got to work all the time.

Mr. RUDDICK.—I am quite willing to admit that these estimates are low, but even supposing the consumer pays the profit of only one middleman, and the cost to him at Winnipeg would be \$3.23 a barrel, the point I would like to make is this: the people in the prairie provinces, bearing in mind the long transportation and other things which add to the cost, cannot buy cheap apples, the fruit is going to cost them a good deal of money. If the Western consumers got the apples for nothing at the place of production the fruit would cost them a good deal by the time it arrived at

APPENDIX No. 5

the point of consumption. Suppose the farmers get, as some of the co-operative societies have obtained, \$1.75 for their apples on the tree, and the barrel costs forty or forty-five cents, and they are shipped in iced cars, costing about one dollar a barrel for freight, because there is a minimum charge of \$150 to \$160 for the car -

By Mr. Bowman:

Q. The \$1.75 you speak of would be for the very best grade?

A. Yes, the very best grade. Then the cost to the consumer on the same basis would be \$4.28. There are apples being sold in Winnipeg to-day for \$4 a barrel.

By Mr. Best:

Q. Can you tell me what percentage of the apples shipped are put in cold storage and packed during the winter?

A. There is not a very large number put into cold storage, but a great many are placed in frost proof warehouses. In Nova Scotia they have one hundred of these warehouses that will probably hold 5,000 barrels each on the average. As far as Ontario is concerned, especially along Lake Ontario where the largest number of these warehouses are located, I could not tell you what proportion of their crop is placed in frost proof warehouses because I do not know the total production in that part of the country. We do not get the figures divided up in that way; the return we get from our inspectors is the total number of barrels that have been stored.

By Mr. Sutherland:

Q. Have you received any complaints from Co-operative Associations of their inability to secure cars when they wanted to ship their apples?

A. I have heard there was some difficulty in getting refrigerator cars in some districts.

Q. But I mean as to the ordinary cars.

Mr. SCHAFFNER.—With your permission, Mr. Chairman, I will read from the *Winnipeg Telegram* of January 27, a paragraph which I think is absolutely correct and I think Mr. Thomson will bear me out in this. I think the statement I am about to quote covers all that has been said in connection with this matter of the transportation of fruit to Winnipeg.

(Reads):

'The *Telegram* has had something to say in the cost of apples. It has shown where the Ontario farmer received 70 cents a barrel for apples; the barrel cost him 45 cents, and packing, picking and cartage total 40 cents more, so that a barrel of apples f.o.b. at the Ontario shipping point represented \$1.55. It cost 79 and a fraction cents to ship that barrel of apples from Ontario to Winnipeg, a distance of approximately 1,320 miles. The retail price of apples on December 27 was \$5.25 in Winnipeg. The cost from the car in Winnipeg to the Winnipeg consumer was \$2.90 a barrel. There is a percentage of distribution cost of 55.4 in getting these apples from the wholesaler to the consumer. Obviously the middlemen have been working over-time on apples.'

Now, with respect to butter and potatoes. Twenty miles out of Winnipeg you pay 30 cents a bushel for potatoes, and the consumer in Winnipeg pays 60, so you will see how little the farmer gets out of it.

A MEMBER.—No allowance is made for the local buyer's commission in that estimate.

By the Chairman:

Q. What is the difference in the cost of transportation between Toronto and London?

A. I have not got that information but I can figure it out for you.

3-4 GEORGE V., A. 1913

Mr. MARSHALL.—The difference is not very much. The freight on apples is the same as it is on canned goods.

Mr. WEBSTER.—That would depend upon the season in which you ship them.

Mr. MARSHALL.—If you had a refrigerator car it would cost a good deal more. If shipped under ordinary circumstances in an ordinary car the freight would be a little less.

Mr. THORNTON.—There are two points in connection with this matter that are of great importance. In the first place a lot of inferior fruit finds its way to the markets of the Northwest although, in the Province of Ontario, there is plenty of fruit of good quality available. In the next place there is the question of transportation, whether we are not paying too much for freight. I know, as a matter of fact, that what we call No. 3 apples were shipped from my section of the country, Durham, to Saskatoon and that a number of these apples that were laid down in Saskatoon were not worth the freight it cost to carry them there.

Mr. SCHAFFNER.—What does it cost?

Mr. THORNTON.—I am not sure, I do not know what it was, but it was money thrown away. Now the point is this, if there could be some way devised of instructing the packers and the farmers that it does not pay them to put this poor fruit on the market it would be an advantage, it would have been better for these poor apples to have been allowed to rot on the ground because there must have been a loss to some person, and the man who lost was the man who paid for the apples at the other end. There ought to be a better understanding in some way as to the importance of putting good quality fruit on the market. I find, further, in these reports of yours, Mr. Ruddick, that in the month of November there were 23 firms or individuals engaged in packing apples who were fined for improper packing and marking of these apples here in the Province of Ontario and some in the Province of Nova Scotia. Now if 23 firms or individuals were caught and fined I presume there were 123 firms that were not caught who were putting stuff on the market that should not have been put there. If we can get the people who are engaged in the business to see that honesty is the best policy and that it does not pay them to put inferior fruit on the market we will have accomplished a great deal. A gentleman, a wholesale grocer in Moose Jaw, told me that he knew exactly what our Ontario apples were, he was an Ontario man, and he said he wanted two barrels. He paid for them and they were guaranteed right but when he came to open the barrels he found that the fruit for about six inches from the top was all right but in the middle of the barrel it was all wrong. Another wholesale grocer in the West told me that in another year, if the present method pursued by the Ontario packers is continued, we will see the finish of the Ontario green apple trade in the West. Now this is a very serious problem we are up against and the question is how are we to remedy this state of affairs and give the people of the West as well as the people in the Old Country a good article, an article which is right, of the quality of which there can be no doubt. The same state of affairs exists as far as shipments to the Old Country are concerned. I know that a wholesaler, Mr. Stephens, from Hull, Yorkshire, England, bought apples in our part of the country four or five years ago, and they were so perfect and turned out so satisfactorily that he came to this whole section of country and made a contract for a large supply, but unfortunately the farmers thought they had a sure thing and they put up such poor apples that when they got on the Old Country market it was found that they were not at all the right thing. The result is that those people have lost that market in the Old Country which was a sure market for them if they had shipped first quality fruit. Now we are up against two problems, how to get our apples on the market in the best condition and how to get the best returns from them. This brings up the point, how can we bring the consumer and the producer together? Now in a certain line of product in which I am interested, I make evapor-

APPENDIX No. 5

ated apples, I found that my product would have to go through four middlemen before I could sell to the consumer in Ontario and I went to the West to sell my product. I found I could sell it there at a fair profit, this year it will just barely pay for itself, but I can sell it at a very small profit by getting close to the consumer in the West. The problem is how to get rid of the profits of four or five middlemen? These are the problems that confront us in connection with this apple question and if we can get over these serious difficulties that now exist in connection with the trade I think it will benefit not only the consumer, but the producer, because the apple trade of Ontario is increasing and increasing rapidly. Probably this last year there have been 20,000,000 bushels of apples raised in Ontario and I think I am safe in saying that one-fourth or more than one-fourth has gone to the West. Now if these apples can be put up in proper shape, they are an article that is and that should be in great demand among the people of the West who should not be deprived of an important article of food because of improper methods of handling.

Mr. MARSHALL.—Would not the difficulty be overcome, largely, by the producer's and the packer's names being put on the barrel?

A. I think so.

Mr. ARMSTRONG (Lambton).—May I, Mr. Chairman, put on record a letter from a man who moved from my riding, and a good man he is, in reference to this question we are discussing:

BALGONIE, SASK., January 24, 1913.

J. E. ARMSTRONG, M.P.,
Ottawa, Canada.

DEAR SIR,—Am very much pleased to see the interest you and your colleagues are taking in behalf of the fruit business. As you know I have put in the better part of my life in the fruit business around Arkona with my father, and am very much interested in the business. I am at present fifteen miles east of Regina and thought possibly a few facts in reference to the fruit conditions here might be interesting. Every year the two leading merchants here bring in a car of apples each. This year an outsider ordered a car and started taking orders at \$4.35 a barrel. The store then put the price to \$4 which was two cents less than cost, as they cost \$2.65 in Ontario and freight \$1.37 a barrel brings them \$4.02. Apples were quoted here at \$2.50 f.o.b. Ontario.

The merchant that can buy a car of apples can make good money on them here at \$5 but the little fellow that has to buy from the wholesale house can't buy them for that. I think one of the great drawbacks is the great difference between carlots and less than carlots. Carlots to Balgonie is \$1.37 per barrel. Less than carlots, \$2.50 per barrel. I had two barrels shipped from Appin Junction and I paid \$5.01 freight on them. Express rates are fierce. Had five gallons syrup shipped from Thedford which cost me \$5 at Arkona and express was \$8, making a total of \$13 for five gallons syrup. Much has been said about the man that got 70 cents for his apples and which sold for \$5.75 in Winnipeg. I can go one better than that. My father bought 400 barrels for \$200 from one man and 850 barrels for \$550 from another; he picked and packed them and sold his entire pack at \$2 per barrel to a local buyer who sells again at \$2.50 per barrel. There seems to be too many getting a slice. I received 10 cents a barrel for all I could place up here at \$2.50 guaranteeing 75 per cent No. 1.

Again a buyer who can offer a straight car of No. 1 Spies would have no trouble in getting \$3.50 a barrel f.o.b. Ontario as No. 1 Spies are in great demand.

Trusting that something may be done that will not only help the fruit grower of Ontario, but also help the poor Westerner a little too, I remain,

Yours very truly,

JAS. F. LANGAN.

3-4 GEORGE V., A. 1913

This letter, Mr. Chairman, merely goes to show the conditions which exist in the West. It gives the opinion of a man whom I believe to be reliable.

The CHAIRMAN.—What price did he say was paid for those 800 barrels and 400 barrels respectively?

Mr. ARMSTRONG (Lambton).—He bought 400 barrels for \$200, that is 50 cents per barrel; and 850 barrels for \$550, which would be about the same price, approximately.

Mr. THORNTON.—They were bought by the orchard, not by the barrel.

Mr. ARMSTRONG (Lambton).—They were bought by the barrel and shipped to this man in the West.

Mr. GARLAND.—They are still buying them cheaper than we are getting them in Ottawa, according to those figures.

The CHAIRMAN.—Mr. Ruddick is prepared to go on, gentlemen, if the Committee wishes.

Mr. RUDDICK.—There is not any doubt about it in my mind that the handling of this fruit business is a matter which calls for much better organization than exists at present. I suppose you often hear references to it but there is no doubt that the farmers engaged in fruit raising in the different localities in Canada can take good lessons from the experience of the California fruit growers in that respect. It seems to me that when there is sufficient organization in Ontario, we should market our apples through some central agency, just as they do in California. Cars are started out—"tramps" as they call them—from the different points of production, and move forward to a central distributing agency. Here the representative of the central agency diverts the cars to the different points where they may be needed. The shippers have no idea where the cars are going; That is left to the agents who are advised by manifest, car number, etc., of their contents. In this way the agents have all the time between the starting of the car and the time of its arrival to make the sale. Now it seems to me that if apples from Ontario and Nova Scotia could be handled in the same way it would be a very great advantage, and similarly with British Columbia. The diverting point for British Columbia cars would be at Calgary. I believe that some such kind of organization is imperative in order that fruit growers may effect a better distribution of their crops. Hitherto, shippers have been taking care of the large centres, sending car after car to the big cities in excess of the demand, while at the same time many small localities that could easily have taken a carload of apples were neglected. That happened all over the West last year. A great number of small places did not get any fruit at all, while at other points, chiefly in the big centres, there was more fruit than was required.

I thought, perhaps, you might be interested in knowing something of the movement of Eastern apples to the West. I have not got the complete returns yet as apples are still being shipped, but we are making an attempt this year to collect as accurately as possible statistics regarding fruit shipped from Eastern Canada to points west of the Great Lakes, including Northern Ontario.

The partial returns show that 33,100 barrels have been shipped from Nova Scotia to Winnipeg and the West. That does not include a large number shipped to Toronto, Ottawa and Montreal. The year before they shipped a good deal more than that—including Ontario and Quebec, 176,000 barrels. As near as I can find out from the last returns which are in, 300,000 barrels of Ontario apples have been shipped West of the Great Lakes this year. This includes Sault Ste. Marie, Sudbury, North Bay and Cobalt. At the Soo they have taken 12,000 barrels. I have not the figures from Sudbury and North Bay but the population is about the same.

APPENDIX No. 5

By Mr. Thornton:

Q. What about Port Arthur?

A. I have not yet got the figures from those points, but they have very nearly double the population of those other places; and in this connection it would be interesting to state that Mr. Robert Thompson, who is probably the best informed man on that subject in the Niagara district, says that they have shipped, at a conservative estimate, over 500 carloads of tender fruit from the Niagara District to points west of the Great Lakes this past season. I remember six or seven years ago, when the Railway Commission wanted to make experiments with refrigerator cars and asked for six carloads from Ontario in a week, they could not get them because the fruit growers were afraid of glutting the market. The figures I have given do not include the other tender fruit districts in Ontario.

It may also be interesting to know something of the American apples imported. I got the figures yesterday down to the end of December from the Department of Customs. They show that for the nine months ending December 31st, the total number of apples imported from the United States into Manitoba, Saskatchewan, Alberta and British Columbia was 239,728 barrels, somewhat less you see than the quantities shipped from Ontario alone. The figures for the different Provinces are as follows:—

Prince Edward Island..	18 barrels.
New Brunswick..	852 "
Nova Scotia..	1,328 "
Quebec..	8,782 "
Ontario..	7,914 "
Manitoba..	37,032 "
Saskatchewan..	54,966 "
Alberta..	72,290 "
British Columbia..	75,440 "
	<hr/>
	239,728 "

Last year for the same period we imported 173,142 barrels.

MR. THORNTON.—I presume that growers in the United States were seeking a market in Canada. Box apples of the very best quality were sold in Winnipeg last year for \$1.25 a box.

MR. RUDDICK.—The crop in the Northwestern States was exceedingly heavy and apples from these States have been sold at very low prices. On Colorado Ganos, sold at Chicago auction, the freight was 37 cents a box, auction charges 5 per cent, net to shipper 31 cents and a fraction. On Winesape, one of the high grade apples, freight charges 37 cents, auction charges 5 per cent, net to shipper 73 cents.

By Mr. Foster (Kings, N.S.):

Q. Have you the figures for apples sold at Winnipeg?

A. I gave those.

By Mr. Sinclair:

Q. What about British Columbia apples coming East? You have told us about Nova Scotian apples going into the western provinces, what about those coming East?

A. I have not the figures of the quantities shipped. We have no statistics, but we get carload figures from our inspectors at the different points. British Columbia apples are shipped mostly into Alberta, and to some extent Saskatchewan, and even as far east as Winnipeg, but I think Alberta takes the largest quantity.

Q. You have not got the quantities?

A. No, I have not got them yet.

By Mr. Armstrong (Lambton):

Q. I want to ask a question in reference to the advisability of separating the fruit and dairy ends of the Agricultural Department. I realize that Mr. Ruddick is a very busy man and most of his energy is devoted to dairy work, and, possibly, he has not the time to devote to the fruit industry that we would like to have given to it. I have felt this for many years, and I strongly advocate the separation of the Fruit Branch from the Dairy Branch of the Department. I do not know whether it would be out of place to ask Mr. Ruddick whether he has a great deal of time to devote to that end of the business.

Hon. Mr. BURRELL.—I had better answer that question as it deals with a matter of policy. This matter has been under consideration for a good many years. It was urged five years ago by the Dominion Fruit Growers' Association and again a year ago when a Dominion conference of fruit growers was held. I may say briefly that the whole matter is still under consideration. I am in touch with a large number of the prominent fruit interests, and I am quite hopeful that something will be arranged that will satisfy the fruit men and also make for the greater expansion of the work. I do not want to say anything more in connection with that now, except this: that I do not think there has been any material suffering on the part of the fruit growing interests, nor is there, what some people imagine, a sort of stigma on the fruit industry because it is associated with the Dairy and Cold Storage Branch. It does not take a subsidiary position because it is so coupled. In some respects it is necessarily coupled with the cold storage industry. Indeed, it would be pretty hard to pick out one item of produce from the cold storage system and deal with it separately. Similarly with the market end. I am fully alive to the fact, as Minister, that it is desirable to expand and increase the efficiency of the fruit growing industry which is attaining very large proportions, and, as nearly as I can give the figures, the fruit growing industry in the whole country represents an investment of \$150,000,000. I can assure Mr. Armstrong and other hon. gentlemen that the matter has not been lost sight of, and I trust, before a great while, will be arranged.

Mr. ARMSTRONG (Lambton).—I am very glad to hear the Minister say what he has. I am not reflecting on Mr. Ruddick's management, but I am satisfied that he cannot possibly have the time to give to this matter the attention it should receive, just as the Minister has said. An industry with an investment of \$150,000,000 ought surely to be worthy of a separate branch; and we realize that, not only should the apple end grow, but also the smaller fruits. I know one firm which went to the Old Country last year and purchased 300 tons of strawberries to put into jellies and jams to help supply the trade here. The smaller fruits are not being encouraged to anything like the extent which they should be. We have the climate; we have the land; and there ought to be some way to take care of our market.

Mr. THORNTON.—It seems to me that the object of this meeting is how we can better advance our most important fruit industry, and that is the apple industry. There are apple-growers in Ontario who pay a great deal of attention to their orchards and make them produce abundantly the very best of apples, and not only that they look carefully after the picking and packing of their fruit, and are making money fast. They give the consumer the utmost satisfaction. Now, if this is the experience of certain apple farmers, other farmers will say: Why could we not have their experience put before us in such a way as to help other men who are interested in the apple industry. There is one man in my county whose name on a consignment of apples to the Old Country sells the fruit without any inspection. What has been his experience could be the experience of the majority of apple-growers. How can we get that information to the farmers, and show them one of the most important products of the farm? That is the question that should occupy our attention.

Mr. MARSHALL.—I quite agree with Mr. Thornton. If we could force every packer to put his name on the can or package that would improve things very much

APPENDIX No. 5

faster than anything we could do. I know from experience. We buy a large quantity of apples for canning. We are encouraging growers to improve their apples and we pay them for it. Farmers must be paid, and as soon as the buyer decides to encourage the man who is careful of his orchard we will remedy matters. What will do that is the price he gets for his goods. If one farmer is getting poor prices for his produce, his apples or whatever they may be, that farmer will ask how it is that Mr. Thornton is getting so much more. On investigation he will find that Mr. Thornton is spraying his orchard and taking particular care with his fruit. I will mention something that happened this Session—and I do not like to give my opponents too much encouragement. Mr. E. D. Smith is selling apples in this city. Mr. Smith's agent called on some of the buyers and I went with him. We went to a large retailer, who said "I am filled up with apples, but if you sell apples for Mr. E. D. Smith next year, I am willing to give you more money." I enquired the reason and the reply was that Mr. E. D. Smith has a reputation for producing good apples. Now, we do not want to ask the Government to do everything for us. We can help Mr. Ruddick, and we can help ourselves by trying to improve the quality of our own goods. We cannot expect the Government to inspect every apple that is packed; they simply cannot do it. But we can improve our orchards. I am very much interested in fruits. There has been something said about a glut this year of fruit. These gluts will come, and we cannot help it. We had lots of peaches rotting; our factories have not the capacity to pack them. We do not mind that when it comes only once every six or seven years. What we want to do is to improve the quality of our goods.

Mr. SINCLAIR.—Why don't you can them?

Mr. MARSHALL.—We do can all we can. We are trying to encourage not only apples but corn and peas and everything that is put in cans.

The CHAIRMAN.—Mr. Ruddick has something to say about the inspection and he would like to have your attention for a little while.

Mr. RUDDICK.—I have got away from my notes altogether this morning, but I would like to say a word or two about our inspection service, and some of the other things which we are doing in the Department to benefit the fruit industry. The administration of what is known as the Fruit Marks Act comes under the branch that I have to deal with, and I want to tell you about the re-organization of that service during the past season. In previous years the total number of inspectors was thirty, but last year the number was increased to forty-eight and a different arrangement was put in force for carrying out the work. The country was divided into five districts. Each district has a Chief Inspector who deals more directly with the inspectors under him and to whom in many cases they report rather than to the Head Office. Number 1 district includes all the Maritime Provinces. There are altogether nine inspectors for that district, with one Chief Inspector. Number 2 district consists of the Province of Quebec and Eastern Ontario. For that district there are also nine inspectors with one Chief Inspector. In the early part of the season while the St. Lawrence is open, a large number of inspectors in this district are stationed in Montreal, and then they are moved afterwards to points on Lake Ontario. That part of Ontario West of Toronto, including the city of Toronto itself, is Number 3 District. There are ten inspectors for this district, and one Chief Inspector. There is one inspector at Toronto, one takes the territory from Hamilton to St. Catharines, and one from St. Catharines to Niagara River. Then we have special districts such as the Lake Erie Counties, the Inland Counties (Brant, Oxford, etc.) Inland Counties (Waterloo and Wellington), Lake Huron Counties, Georgian Bay District, and then there is an inspector for the Soo and Northern Ontario and one for Port Arthur and Fort William. The Prairie Provinces form Number 4 District, the sub-districts of which are: Winnipeg and district, Brandon, Regina, Saskatoon, Medicine Hat,

Calgary, Lethbridge, and Edmonton. These are the carload points throughout most of the Prairie Provinces. There are very few carloads, especially of imported fruit, coming in at any other points. The places named were selected so that the inspectors could keep an eye on the imported fruit which enters into competition so much in those markets with our fruit from British Columbia and Ontario. In British Columbia there are three inspectors and one Chief Inspector, and also three Customs Officers acting as inspectors—one at Nelson, one at Grand Forks and one at Prince Rupert. Therefore it will be seen that last year there were five Chief Inspectors, forty Inspectors, and three Customs Officers acting as Inspectors. Now that is a part of the work performed by the fruit division of my branch.

Another thing which we have carried out for a number of years is the publication of a Fruit Crop Report, and I have here a set of the reports for last year, if any member of the Committee cares to see them. The first report is issued in May and afterwards monthly down to the month of September. We have altogether from three to four thousand fruit crop correspondents in different parts of the country. Forms are sent out to them which they are asked to fill out and send in just before the publication of the report. The whole thing is compiled in about three days; and special arrangements are made with the printer so that the report is issued within two or three days from the time the information is received. The publication covers the weather conditions, the state of the crops of apples, pears, plums, cherries, peaches, small fruits, insect pests, fungus diseases, spraying, crop conditions in the United States and other countries, and various other matters of special interest to the fruit growers.

By Mr. Thornton:

Q. How late in the season are the Inspectors employed?

A. Until the fruit is all shipped.

Q. Are they all still performing duties as Inspectors?

A. Not all of them. There are some places where there is no fruit being moved at all. Inspectors are located in those Districts of Ontario and Nova Scotia where apples are stored in frost-proof warehouses and they are kept at work until the apples are all shipped.

Q. Would it not be an advantage if the Inspectors could act as instructors in these fruit houses during the winter months?

A. To some extent they always act in that way. They are not appointed for that particular purpose, but all the inspectors act more or less as instructors, especially where the packing is carried on in fruit houses as it is along the shore of Lake Ontario. At this time of the year more or less instruction is given, particularly in the new districts. In Nova Scotia there are a large number of new districts going into fruit growing, and our inspectors endeavour to make the grower acquainted with the provisions of the Act—the definitions for the different grades, and so on. The growers in these new districts all need a little help at first and they get it in that way, the inspectors acting as instructors, more or less, at all times.

Q. The intention is in the case of the No. 1 apple, that every apple that goes into the barrel shall be perfect?

A. They should be good apples.

Q. Yet the impression is abroad that ten per cent—and some people even have the impression that twenty per cent—may have some slight defect.

A. The Act of course does make that provision.

Q. Yes, but it is not the intention of the Act that the packer shall put in imperfect apples to the extent of ten or twenty per cent.

A. The Act does not provide that the packer shall deliberately put in ten per cent of inferior apples. It was recognized, I believe, by the framers of the Act, that when apples are being packed rapidly, as they are in barrels, a few inferior apples

APPENDIX No. 5

will slip in undetected. The provision to which you refer was made for the purpose of guarding against a prosecution for cases of this character.

Q. The packers in our part of the country seem to think that they are allowed to put in ten per cent of imperfect apples.

A. Well, of course you have to administer the Act as it is, not as it might be. The law says that if there are not more than ten per cent of defective apples there cannot be a prosecution.

Q. But is there not a misapprehension arising out of the fact that ten per cent of apples not perfect are allowed to be packed?

Hon. Mr. BURRELL.—That is allowed under the Statute but the Act does not say to the packer, 'you shall put in ten per cent;' it says 'you shall not put in more than ten per cent.' It is a concession.

Mr. THORNTON.—The packers do not understand that every apple they put in is to be perfect, and that the law does not apply if ten per cent escapes their attention.

Hon. Mr. BURRELL.—I do not think we could word the clause very differently. When the Act was amended a few years ago, under the 'fancy grade' established, the packers were not to put up anything under grade. This was extremely difficult to live up to, and later on it was considered wise to establish a first grade and to provide that if a man did not pack more than ten per cent of imperfect apples he could not be prosecuted.

Mr. THORNTON.—Yes, but would it not be better to provide in the Act that they should be instructed that they are not to put in 10 per cent of lower grade?

Hon. Mr. BURRELL.—You could hardly make that provision in the Act in that way. In enacting a law you have to lay down certain facts which must be observed.

Mr. THORNTON.—I make that suggestion because it is quite certain that the packers are under a misapprehension as to the meaning of the Act. They believe that it is the intention that they should be permitted to put in 10 per cent. of lower grade fruit.

Hon. Mr. BURRELL.—Well, they are, the Act provides that up to that limit lower grade fruit may be permitted.

Mr. THORNTON.—As a matter of fact that gives them a little liberty and they take advantage of it to put in 25 or 30 per cent sometimes.

Hon. Mr. BURRELL.—In that case it is an infraction of the law for which a penalty is provided.

Mr. THORNTON.—That is all right if you catch them.

Mr. RUDDICK.—I understand from the Chairman that the time has arrived to close the evidence for the present. There are a number of other points I would have liked to bring to the attention of the Committee, but they may, I suppose, stand over until another occasion. I would have liked to refer to the work which we do in connection with our cargo inspection, having regard to the proper handling and stowage of fruit on ocean steamers, and to the handling on arriving at Montreal and other terminals by the cartage companies. In order just to give you an idea of the kind of information we get on this subject I have here reports from two ocean steamships (exhibiting reports). This (indicating report) is for the steamer Rapahamnock, which sailed from Halifax on December 13th, and these cover the particulars of a lot of apples shipped on that steamer; we have the temperature at which they were carried, the temperature for the entire period during which they were in the steamer and the condition in which they arrived at the other side, the reports from both ends, the loading and the discharge, so that a shipper who wants to get a report as to the way in which his apples were handled is able to get that information from the Department.

3-4 GEORGE V., A. 1913

By Mr. Foster (Kings, N.S.):

Q. The report on the cargo of apples shipped on the Rapahannock will be made to you by the cargo inspector at Halifax?

A. Yes, a general report from the cargo inspector, who takes notes as to the conditions under which they are loaded at the port of shipment, where they were placed in the steamer, and we place these thermometers, this is a model which I am exhibiting to you (holding up model), in the hold with the fruit. The thermometer is locked up, and it is enclosed in a case which is perforated so that it records the temperature for the whole time the steamer is crossing the ocean, giving us a complete record. This thermometer is set before it is placed in the case and cannot be tampered with; the inspectors hold the key. Upon arrival at the other side our inspector there opens the case, takes off the record and sends it to the Department. I have the records of the temperature covering every shipment of fruit that has been made from Montreal and Halifax during the past year.

Q. You can tell from that record when the fruit arrives over there whether the temperature has been too high or too low?

A. Certainly, we have an accurate record of the temperature for every minute the fruit was on the boat, and last year if you will look over the records of the temperatures you will find they were very good indeed.

By Mr. Sinclair:

Q. You have inspectors on the other side at London?

A. Yes, at London, Glasgow, Manchester, Bristol and Liverpool. One half of these reports come from the other side and the other half from the inspector at this side. These (exhibiting documents) are the original thermograph reports and we use these as negatives from which to make blue prints. We can make as many prints as we like. The shippers get one, one is filed in the Exchange Room at the Board of Trade at Montreal. We have another here from the S.S. 'Zealandia' from Vancouver to Sydney, Australia, showing an excellent record of 35 degrees throughout the voyage. We have also records here taken on refrigerator cars from the Okanagan Valley to Calgary; they borrowed some of our thermographs this year to make these records.

The CHAIRMAN.—We will have another meeting at which you can present the information.

By Mr. Sinclair:

Q. You own the thermometers?

A. Yes, the Department owns the thermographs. They cannot be tampered with en route as the keys are held by the inspectors only. The case is stowed as a piece of cargo with the apples, cheese, or anything of that kind. The inspector on the other side takes off this record and mails it back to the head office here. The instrument remains on the ship and comes back with it.

By Mr. Foster (Kings, N.S.):

Q. How long have you been using these thermographs?

A. Ten years.

Q. How is it, if you have these records, that shippers come up here and tell us that conditions in the hold of the steamer are such and so as a result of which they suffer heavy loss, as much as \$20,000 having, it is said, been lost in one shipment because of the unsatisfactory conditions?

A. Of course you see there is a large quantity of apples shipped in ordinary holds; we get the records of temperature in these as far as possible, but the records apply more particularly to the cold storage, although, as I say, as far as possible we get the temperature in the ordinary holds, and a great many of these records are of the ordinary kind. There has been a marked improvement in the temperatures on board

APPENDIX No. 5

steamships even in the ordinary cargo holds in recent years, owing to the improvement in the system of ventilation. At one time ships were very poorly ventilated, especially these tramp steamers as they are called, which are under charter for a number of trips. Many had no ventilation at all except that provided by the ordinary cowls, but the contracts are now made to require forced ventilation by means of fans, so that, no matter what the condition of the weather is, there will be proper ventilation in the holds. The question of ventilation is a very important one. If you put 20,000 barrels of apples in the hold of the steamer which is not properly ventilated, the process of ripening goes on generating heat which is not removed. But, as I say, there has been a very great improvement in ventilation on ships in the last few years.

The CHAIRMAN.—I think this cold storage question is of such importance that we will require another meeting, and we have Mr. Ruddick near at hand so that we can get him at any time to give us further information respecting it. It was suggested by someone, I think Mr. Thornton, and I think by a number of other members, that it would be wise to summon some of the leaders and experts in this industry, to come before this Committee and give evidence with relation to the problems which confront us. If any members of the Committee desire to submit a motion in this direction I will be glad to receive it.

Mr. RUDDICK.—I intended to call the attention of the Committee—I am sorry I did not do it earlier—to this report of the Third Conference of Fruit Growers held last year. I think they have been sent to all members of Parliament, but in any case copies can be had for the asking. And then we have the report of Mr. Bunting on the Fruit Growing Industry made last year, covering the whole of Canada. I would also like to draw attention to the report of the Department's trial shipment of peaches to England in 1910, giving full particulars. I may say that as a result of these trial shipments of peaches from the Niagara district, the business has been carried on ever since. One grower alone last year shipped 8,000 cases of peaches. In 1910, 3,000 cases of peaches were shipped. These are single layer cases, about the same length and width as an apple box, and holding about six pounds of fruit. The grower I mentioned has made a success of it. I don't know just what his returns are, but I presume they are satisfactory, because he continues to ship.

Mr. ARMSTRONG (Lambton).—Mr. Chairman, I would move that Mr. Daniel Johnson, President of the Fruit Growers' Association of the Province of Ontario, be asked to appear before this Committee and give evidence on the fruit industry in general.

Motion carried.

Committee adjourned.

3-4 GEORGE V., A. 1913

HOUSE OF COMMONS,

COMMITTEE ROOM No. 105,

THURSDAY, February 6, 1913.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock a.m., the Chairman, Mr. Sexsmith, presiding.

The CHAIRMAN.—The hour has arrived for the commencement of business. Mr. Daniel Johnson, of Forest, Ontario, President of the Ontario Fruit Growers' Association, is here in answer to our call and will be prepared to give whatever information he has with respect to the fruit industry.

Mr. JOHNSON. Mr. Chairman and gentlemen; This is the first time that I have been called before your Committee, and I frankly confess that I scarcely know what to say or do. I believe that I am to be questioned as to what I know about the fruit industry. I would be very glad if that turns out to be the case because I do not pretend to be much of a speaker. I would very much rather that you should question me regarding the fruit trade of Ontario, or of Canada, and I will be very glad to answer those questions as far as my information will allow. I do not for one moment pretend to know all about the fruit growing business. I have been a fruit grower all my life, and my whole time has been spent in the production and marketing of fruit. Along those lines, dealing with the various topics and the various stages of the fruit industry, I would be very glad to answer your questions.

By Mr. Armstrong (Lambton):

Q. We understand, Mr. Johnson, that the growers of apples are not receiving a fair return for their labour, and that the consumer of apples is paying too much.

A. That is a fact, there is no question about it. In Western Ontario, where I live, I believe that fully twenty-five per cent of the fruit went to waste last season. It was a very common thing, in driving up and down the country, to see the apples either lying upon the ground or hanging upon the trees, simply going to waste, while the purchaser or the consumer in the West was paying a very high and unreasonable price for his fruit. Now that is controlled very largely by circumstances. The fact of the matter is, the fruit industry is not organized as it should be. I have here some figures showing the average price received by the grower for his apples. The average price, f.o.b., paid by the apple dealers this season was about \$2.25 per barrel.

By Mr. Wright:

Q. To what kind of apples does that statement apply?

A. Baldwins, Spies, Greenings, Russets and such varieties as that—the standard varieties. For these apples the farmer sometimes gets 75 cents, sometimes 50 cents, sometimes \$1.00 per barrel. Sometimes the farmer gets more, sometimes he gets less. Unfortunately, this year I believe the price was perhaps less than 75 cents per barrel in a great many places. That was owing, I think, to the policy pursued by the dealers. Very often a dealer will go around the country, look the apple orchards over and offer the farmer a certain price for his orchard. A case comes to my mind just now in my own county where a woman had an orchard in which she had taken a considerable amount of pride, and she had a nice crop of apples. Well, a dealer came to her and offered \$125 for her orchard. She thought the offer was not sufficient, but what could she do? She said to herself: 'I cannot do better, there is only one dealer in this district, and if I do not sell to him my apples will go to waste.'

APPENDIX No. 5

She came down to see me about it. I told her I thought the price was a most unreasonable one for her orchard. The woman said: 'I will have to take it, there is nothing else for me to do'. I said: "I will see if I cannot get your orchard into the Association." I went to the Association and told the members the story of how this woman had taken such care of her orchard and yet was only offered \$125 for it, out of which she had to pay the board of pickers and packers as well as haul the apples to the station. The Association decided to admit her into their ranks. The sequel is that I had a letter from her just before I left for Ottawa, stating that she had received, through the medium of the Association, \$1,035 for her orchard.

By Mr. Schaffner:

Q. Does the system of selling orchards prevail very largely in the other provinces?

A. It obtains very largely throughout Ontario.

Q. Does it prevail in Nova Scotia?

A. I believe the fruit growers of Nova Scotia are going into co-operation very largely in the marketing and handling of their fruit.

Q. They are not selling their orchards?

A. I am not sure about Nova Scotia. I think they do follow the practice to some extent but not to the extent they do in Ontario.

By Mr. Thornton:

Q. Did this woman net over \$1,100?

A. She says, 'I received from my orchard \$1,035.' I think that after paying for spraying pumps, spraying material, cultivating and all that sort of thing, she claims to have received about \$700.

By Mr. Armstrong (Lambton):

Q. Would a Central Co-operative Association be a benefit to the industry?

A. I believe it would. They have formed such an association in Nova Scotia, and it is working out very satisfactorily, according to my information.

By Mr. Wright:

Q. Is that for marketing the fruit?

A. For packing and marketing.

By Mr. Armstrong (Lambton):

Q. Is there not a want of uniformity in standards among the inspectors?

A. Yes, I believe there is, and on several occasions I have raised my voice against that. I believe that inspectors sometimes mark down fruit at one end and pass it at the other, that there is not a uniformity of judgment amongst the inspectors at the present time in regard to the marking of apples.

Q. Would a vigorous policy of advertising be of any effect?

A. No doubt it would be.

By Mr. Thornton:

Q. You have said, Mr. Johnson, that there was not uniformity. Could we not get the inspectors together and have them adopt some uniform standard?

A. That would be a good idea.

Q. There should be selection?

A. I believe that is right. I believe the inspectors should be taught a uniform packing. I believe they should be taken to a school and taught to have uniform opinions.

3-4 GEORGE V., A. 1913

By Mr. Wright:

Q. What do you suggest?

A. They have packing schools. There is one at present at Guelph where people are being educated how to pack apples. We have three men there now, learning how to pack boxes. The school is under the Department of Agriculture of Ontario.

By Mr. Armstrong (Lambton):

Q. Should fruit associations be given wider powers, and if so, what would you advise?

A. I think they have powers now to organize as they wish. At least, if they haven't, it can be very easily arranged.

By Mr. Schaffner:

Q. Will you state in a few words what is the system of gathering and packing apples in the Dominion?

A. The system in Ontario—I could only speak of the Dominion in a general way, but I know Ontario fairly well—is for the apples to be picked and packed right in the orchard. They are then hauled to the station and thence shipped.

Mr. SCHAFFNER.—A very different system prevails in Nova Scotia.

Mr. JOHNSON.—Yes, I believe so.

Mr. SCHAFFNER.—For three or four miles the stations are very thick. They have immense buildings where the farmer brings his apples just as he picks them from the tree, and they are packed there and then shipped.

Mr. JOHNSON.—That is being done in a good many places in Ontario, but the other is the general method.

By Mr. Schaffner:

Q. Is it a good way?

A. It is the best way, there is no doubt about that. The central packing house system is the best.

Q. What is the weakness of the orchard packing system?

A. Well, there are so many different grades of packing. For instance, an apple buyer sends four or five gangs down to the orchard. Each gang works separately picking down the apples and packing them in barrels where they are exposed to all kinds of weather. The result is that the packer or shipper probably has half a dozen different grades of apples.

The CHAIRMAN.—The advantage in the other system is that the apples are always dry.

Mr. JOHNSON.—Yes, they are always dry, and in the orchards they very often get wet.

By Mr. Wright:

Q. How about cold storage when they are packed in the orchard? Are they not frequently left there for days?

A. I have seen apples lying six weeks and then shipped to the Old Country.

By Mr. Morphy:

Q. After lying in heaps?

A. Yes.

By Mr. Sutherland:

Q. Would there not be a danger in packing these apples and shipping them?

A. In my own orchard I have men to pick the apples at so much per barrel and a team draws them to the packing house on a low truck, and they are packed there.

Q. Probably you are close to the station?

APPENDIX No. 5

A. My packing house is in center of the orchard but some of the co-operative association draw their apples four, five and sometimes eight miles.

Q. Where?

A. At Forest in Lambton County.

Q. Does it always arrive in good condition?

A. Well, at first the fruit was bruised a little, but soon they learned to handle the apples carefully and when springs are put under the racks and there is a little hay in the bottom of the racks, the apples arrive in good condition.

Q. They are conveyed in barrels?

A. Yes.

By Mr. Armstrong (Lambton):

Q. You were speaking of shipments to the Old Country. Did you find them satisfactory?

A. No, very unsatisfactory. This year I sent two cars and it was two cars too many. I have always lost money on apples shipped to the Old Country.

By Mr. Wright:

Q. How is that?

A. They never arrive in good condition.

Q. How are they packed?

A. In barrels.

Q. Is not that a weakness?

A. I think so.

Q. Has cold storage ever been tried?

A. All I know is that the apples are shipped in good condition and arrive either slack or something of that kind, and don't sell for anything like they should. I believe dealers this year are losing money in large quantities by shipping apples to the Old Country. They bring in poor returns.

Q. Is there any co-operative system between dealers here and in the Old Country? Is there no agent to handle the apples there?

A. Not in the Old Country. This year there is an association to which I, my brothers and a few friends belong. We have our own salesmen in the West, who look after our interests there, but usually the associations have no representatives either in the West or in the Old Country. In fact, I don't know of any association that has a representative in the Old Country.

Q. Don't you think that a weakness?

A. Yes. I never could quite understand why the associations did not have their representatives. I have just received a letter from my brother in the Old Country and he tells me that prices received at auctions are ruinous.

By Mr. Armstrong (Lambton):

Q. It is quite understood that there is an understanding between the dealers and the sellers at auctions?

A. Yes. Generally speaking there is an understanding between auction men and the dealers over there, but I have never investigated and I cannot speak definitely about that.

By Mr. Thornton:

Q. Selling the goods by auction is a wholesale business. They are not disposed of in small quantities?

A. Oh, no, whole carloads are sold out in a few minutes.

Q. So the small seller has no chance?

A. Oh, no, they won't let him in. I understood that in Liverpool only members are allowed to get in on the market.

Q. Probably that is what is the matter with the English end of the apple business?

A. I believe that is so.

By Mr. Wilson (Wentworth):

Q. Do you favour a commission appointed by the government to receive fruit?

A. I think something like that should be done. I don't know just what powers you have but something of that nature would be a good thing.

By Mr. Thornton:

Q. It seems to me, from what you have told us, that possibly right there is the difficulty that confronts the Ontario and Nova Scotian apple raiser and dealer who ships apples to the Old Country?

A. Well I have found that out.

Q. If that is the case then it is up to the authorities here to look into the matter and remedy it.

A. I would think so.

Q. That is a vital point in this investigation.

A. The Old Country markets are so dangerous that most fruit men I associate with will have nothing to do with them.

By Mr. Armstrong (Lambton):

Q. What about transportation facilities to the Old Country?

A. They are not very satisfactory. I can ship apples to Calgary and land them there in good shape, but fruit going to England is always damaged. That is a general complaint throughout the Province of Ontario.

By Mr. Wright:

Q. Is the Western market sufficiently large to absorb all the apples you have to ship?

A. It is a good market and Western people are prepared to pay a good price, but there is a limit to their demand.

By Mr. Armstrong (Lambton):

Q. Don't the people in the West get a lot of apples from Washington and Oregon?

A. I believe the three Western Provinces take about sixty per cent of their apples from the States. We had a salesman at Regina last year and in every letter he told me about the carloads of American fruit coming in there.

Q. Did you ever ask him why?

A. He told me that they were using boxes, and another reason was that the freight rates were cheaper.

Mr. DOUGLAS.—I think the real reason is the packing.

Mr. JOHNSON.—That is one reason, we have three men at the Agricultural College learning how to pack boxes now.

By Mr. Thornton:

Q. You told us that your trade in the West has been quite satisfactory?

A. Yes, very satisfactory.

Q. How do you account for that fact?

A. We had a salesman in the West looking after our own interests.

Q. Wasn't it a fact, as Mr. Douglas has suggested, that a great deal of the fruit that went to the West was not satisfactory to the public.

A. That is very true.

Q. How do you pack your apples?

A. We pack our apples in barrels very carefully. Number One's are 90 per cent clear of all defects, or we try to have the grade clear of all defects. The Number Two's were 80 per cent without scabs or worm-holes or anything of that kind. We have

APPENDIX No. 5

found our Western trade to be a pretty fair one, but last season there were so many apples in the West, that I have three or four cars in storage there at the present time.

Q. Is there a demand for Number Two's in the West?

A. Yes, there is a demand for Number Two's. We have sold No. Two's in Moose-jaw for \$4.40 a barrel delivered in car lots.

By Mr. Morphy:

Q. What is the size and weight of the most economical box that you ship, and the one that gives the best results?

A. We have figured that out and we think that the uniform box used for the Dominion is a very satisfactory one. It weighs, I think, about 50 lbs. or three boxes to the barrel.

Q. Is there anything in the handling of that box, apart from the packing, that prevents the bruising of the fruit?

A. I do not know that I quite grasp your question.

Q. The box is lighter than the barrel?

A. Yes.

Q. Therefore is the fruit sent in the box less liable to be bruised?

A. Most decidedly.

Q. Is not that a great factor in the development of this trade?

A. Yes, a very great factor. The Westerner, I believe, gets his apples in good condition in the box, whereas there is a very large percentage of them bruised by pressure in the barrel.

Q. In a box the apples are packed better and wrapped in paper?

A. Yes.

Q. Does that affect the fruit at all by absorbing moisture?

A. The paper protects the fruit from evaporation, to some extent.

Q. And also protects the apples from bruising?

A. The apples are held in position and kept from bruising.

Q. What is the extra cost of packing apples in boxes?

A. I think it costs about 10 cents to pack a box of apples and probably 3 or 4 cents for the paper.

By Mr. Schaffner:

Q. What does the box cost?

A. It costs about 16 cents, whereas a barrel costs 45 cents.

Q. There is very little difference then?

A. Not very much difference.

MR. THORNTON.—With reference to the question that was raised a moment ago, I think by Mr. Douglas, that question to my mind is a very vital one. On a previous occasion Doctor McIntyre, and I think every Western Member has done the same thing, drew attention to the fact that a great deal of the fruit going to the West is not good, and the result is disastrous to our Ontario apple trade there.

MR. JOHNSON.—That is true.

MR. THORNTON.—We heard a great deal about that this year.

MR. JOHNSON.—Two or three years ago I was out in the West myself looking into that matter and saw so much of it that I was actually ashamed to tell the people there I was an Ontario fruit shipper.

By Mr. Thornton:

Q. What is the remedy for that state of affairs?

A. Inspection at the point of shipment, I believe, very largely. I believe that apples should be inspected before they are shipped, and the man who does not put up good apples should not be allowed to ship at all. The staff of Inspectors who are doing the inspecting at the present time, are good men and are doing good work,

3-4 GEORGE V., A. 1913

but the staff should be greatly increased. I believe that a dishonest shipper should be made honest and should be prevented from shipping inferior apples.

Mr. SCHAFFNER.—You have a great contract on your hands in undertaking that.

Mr. JOHNSON.—I admit that it will be a large contract, but if a thing is worth doing at all it is worth doing well.

By Mr. Schaffner:

Q. How would you go about it?

A. I will give you my views as to that.

By Mr. Ross:

Q. How would you manage that inspection in the County of Middlesex?

A. Most of the apples in the County of Middlesex are shipped via Grand Trunk, and the inspectors, could go up and down the line from Stratford to Sarnia and back, again on the other line to London. A strict inspector could pretty well size up all the shipments.

Q. In our part of the country, in shipping apples we do not seem to have any system of communication with the consumer in the West. Now, how can we establish direct communication between the seller and the buyer?

A. By a system of co-operative marketing. Unfortunately in Middlesex, I think there are only one or two Associations. Practically speaking Middlesex has no co-operative Associations at all.

Q. Has Oxford County any co-operative Associations?

A. In Oxford County I think there are one or two, but speaking generally, they have no Associations. The growers are simply the prey of any dealer who happens to drop in. Of course we are all human, and I suppose the dealer tries to make the best bargain he can.

Q. Have these co-operative Associations a selling agency in the West?

A. As a rule they appoint a man who understands the business. Their secretaries and their salesmen all understand the marketing of apples. In every town you will find a man who understands that business to some extent. In the County of Middlesex I knew a number of these qualified men who act as managers of the Associations, and as a result they get well into touch with the trade. Furthermore, the Department of Agriculture of Ontario, and the Dominion, have assisted us a great deal in sending the names of members of the Associations to dealers.

By the Chairman:

Q. I understood you to say a moment ago that it cost ten cents to pack a box of apples. Would that include picking and packing?

A. Not the packing.

Q. What does it cost to pick and pack, otherwise your statement might be found to be misleading.

A. I find that on the average to pack a barrel of apples costs 15 cents. Now, there are three boxes to the barrel, and the cost for picking would be five cents a box.

Q. The cost for packing a box is ten cents?

A. Yes.

By Mr. Armstrong (Lambton):

Q. That does not take them off the trees?

A. Yes, that takes the apples off the trees.

By Mr. Thornton:

Q. With regard to our trade with the Northwest—and this I think is vital—you said you thought that a grower who would not put up good fruit should be prohibited from sending a barrel of apples to the West.

APPENDIX No. 5

A. I think so.

Q. How would you propose doing that?

A. I would prosecute any man who shipped out bad fruit intentionally. Undoubtedly there are men putting up fruit who do not know how it should be packed. For instance, in Middlesex there are men of this class and they might make mistakes in putting up apples. To such men I think there should be a certain amount of leniency shown, generally speaking. I believe every packer should be compelled to put up good fruit. I also think the inspectors should be instructors and that they should go amongst the packers and show them how to put the apples up.

By Mr. Schaffner:

Q. And you really think there are people in the County of Middlesex who do not know when they are packing apples properly?

A. Take the case of a grower who has a small orchard and is packing his own apples. Naturally he wants the small ones to go in as well as the others.

Q. But he knows better?

A. Not always.

By Mr. Douglas:

Q. It is not merely the small apples, the colour and size have also to be considered in packing.

A. Yes.

Mr. DOUGLAS.—I do not think we can legislate to prevent crookedness. Probably the best way of meeting the difficulty is by way of Co-operative Associations, as you have pointed out.

Mr. THORNTON.—But in the meantime, the poor packer has destroyed the reputation of the trade.

Mr. DOUGLAS.—Co-operative Associations will bring it back again.

Mr. THORNTON.—We are told that there is a demand in the West for Number Two's. From the state of Washington, and other parts of the United States, they send their best Number One's into Western Canada. If our Number Two's and Number Three's are thrown on the Western market it will completely destroy the reputation of our Ontario apples.

By Mr. Steele:

Q. Have they a system of inspection of apples in the State of Washington?

A. No, they have no system of inspection there that I know of.

Q. How would you get over this difficulty by inspection: a large percentage of the apples produced in this Province are grown by farmers who have twenty to one hundred barrels. A buyer comes along, purchases the apples in an orchard, and instructs the farmer to deliver them at the station on a certain day, and perhaps on that very day they are shipped out by train. The Inspectors may not be there at that particular time. How could you provide for inspection under such circumstances?

A. The Inspector is likely to be pretty closely in touch with everything that is going on, and the fear that he is likely to drop in at any hour on any day is likely to prove a deterrent to the packing of poor fruit. With the fear that an Inspector might appear at any time, the probability is that very much better fruit would be packed than at present. In some towns at the present time the Inspector is scarcely even seen; the staff are working hard enough, but there are not enough of them.

By Mr. Schaffner:

Q. Do the Inspectors go right to the orchards in Ontario?

A. Not very often.

By Mr. Wright:

Q. Are the Inspectors, as a class, qualified?

A. As far as I know, the present Inspectors are very good men.

By Mr. Wilson (Wentworth):

Q. In what Counties in Ontario are there Co-operative Associations?

A. In the Province of Ontario there are 45 such Associations. In the County of Lambton they pack about 45,000 barrels. In the County of Norfolk they pack about 63,000 barrels among the Associations.

By Mr. McCoig:

Q. What about the County of Kent?

A. There is an Association at Chatham.

Q. You have suggested the appointment of more inspectors, so as to enforce the law in the case of the small growers who have only from forty to fifty trees in their orchards. Do you suppose these men would pack their apples in the face of severe penalties at the price they have been getting lately? Last year the canners were only paying from twenty to twenty-five cents per hundred, and the farmers would haul their apples to the canning factory and dispose of them in that way.

A. A great many farmers who have small orchards are afraid of the Inspectors. They are afraid to pack apples because the inspector is something of a policeman. He simply walks up and down and gives no instructions.

Q. Wouldn't it be better to have instructors as well as inspectors?

A. Yes, I think so.

Q. The farmers would look upon the instructor as a friend?

A. Yes.

Q. He would co-operate with them and assist them in getting their apples in better shape for the market?

A. Yes, I believe so.

Mr. McCoig.—The term "inspector" inspires the average man with fear. In my county the farmers have a lively recollection of the inspectors who were appointed to handle a disease that broke out among the hogs a few years ago. If the officer were called an instructor he would be regarded by the farmers more as a friend than an enemy, and would be cordially welcomed when he visited at different orchards.

Hon. Mr. BURRELL.—Inspectors have been appointed because certain Acts have been passed by Parliament which have to be lived up to, and for the violation of which penalties are applied. In the case of such laws as The Health of Animals Act, the Pure Foods Act, and the Fruit Marks Act, inspectors are appointed to see that there are no infractions of the law. Therefore, these officers are not so much instructors as they are inspectors, appointed to see that the provisions of certain laws are carried out. If you depart from that principle it is not easy to see where you would stop. You would have to do the same in the case of other Acts of Parliament.

Mr. McCoig.—Before the Minister came in we were talking about instructors. I was anxious to know whether we could not have a set of instructors as well as a set of inspectors.

Mr. JOHNSON.—Wouldn't it be possible to introduce legislation which would make these men instructors as well as inspectors?

Mr. McCoig.—That's the point!

Hon. Mr. BURRELL.—The commencement of educational work in the interest of the people opens up a very big question and one which would seem to be a matter for the local authorities to deal with. What one gentleman said a little while ago—I think it was Mr. Douglas—is absolutely true, that in the fruit growing sections of the West the educational work has not been done by the Federal Government, or even by the Provincial authorities; it has been carried on by Co-operative Associations like

APPENDIX No. 5

those of which Mr. Johnson has spoken. The Federal Government, however, have greatly strengthened the system of inspection. To such an extent has this been done that we shall probably have to ask for an additional sum of from fourteen to sixteen thousand dollars in order to meet the expenditure this year. We have made a start in the matter of instruction and inspection, but if we were to yield to all the demands that are made, it would result in the creation of an army of inspectors and instructors, and would become a very formidable matter indeed. I remember that thirty years ago, when I was engaged in fruit growing in the St. Catharines District, we had the same difficulty of getting men to realize that it would pay them to deal honestly with the public. Some of us did that thirty years ago, and we found it to be good business to try and persuade men that honesty is the best policy. That is the real solution of the question; it is hard to legislate honesty into anybody. More can be done, I believe, by the work of Co-operative Associations such as Mr. Johnson is connected with, and such as we have in my own Province of British Columbia, than by any other agency.

Mr. DOUGLAS.—Is the Province of Ontario doing nothing to assist the apple trade?

Hon. Mr. BURRELL.—I imagine the Ontario authorities are doing a great deal in that direction.

Mr. JOHNSON.—Yes, they are doing a great deal of educational work along that line. But there is this fact to be remembered, the farmers are being educated to produce fruit, but there is nothing being done to enable them to market it.

By Mr. Wright:

Q. You spoke about having some men of your own at Guelph College?

A. Yes.

Q. Under what auspices are they being instructed there?

A. They are being instructed at the Agricultural College, and pay \$2.00 for the course.

Q. How many do you suppose will take that course this session?

A. I believe last week there were about twenty-five.

Q. Is that the only place where such instruction is given in the Province of Ontario?

A. The only place that I know of.

Q. How many such places do you think there should be in Ontario in order that instruction might be given at places convenient to the fruit growing district?

A. I should say there really should be a dozen.

By Mr. Sutherland:

Q. Is there co-operation in the spraying of orchards?

A. I have had some experience, and I do not think co-operation is very satisfactory in handling orchards in that way. My experience is that the farmer is the best man to spray his own orchard, and that in doing so he will be very much more careful than any novice who goes out to do the work.

By Mr. Armstrong (Lambton):

Q. Is not the minimum car-load weight too high?

A. I think it is, especially in vegetables. Our minimum car-load weight is 30,000 pounds, whilst in some States it is 17,000 pounds.

By Mr. Douglas:

Q. What is the minimum weight of a car-load of fruit?

A. 24,000 pounds.

Q. How many barrels does that mean?

A. I think 140 or 150.

43365—2

Q. And you have to ship at a gross weight of 165 pounds to the barrel?

A. Yes, 165 pounds to the barrel.

By Mr. Wright:

Q. As a matter of fact you often put in 200 barrels, do you not?

A. Yes, very often. You can put more than that into some cars.

By Mr. Best:

Q. It has been stated that Ontario fruit arrives in the West in bad shape. If the Ontario shippers, even with the possibility of inspectors dropping in on them at any time, are foolish enough to take chances, would they not do so to a greater extent, provided you do away with the inspector?

A. My suggestion was that they should be both instructors and inspectors. Then if a man was not honest enough to put up his fruit right, you should give him the full benefit of the law.

Q. Would it not be an injury to the trade to remove the inspectors?

A. I would not do that. I would say that they should be instructor and inspector combined.

By Mr. Webster:

Q. Don't you think it would be a good idea to have fruit which the Inspector really had inspected branded to say so.

A. I would like to see that done.

Q. That would be the way to get at it?

A. I would be willing to pay a considerable amount towards the expense of such a thing, and I think that nearly every other reputable shipper in Ontario would be willing to do the same.

Q. My practical experience is that a great many people are not careless at all, but simply dishonest.

A. Yes, there is no doubt about that.

By Mr. Armstrong (Lambton):

Q. Coming back to the matter of freight rates, isn't it a fact that the freight rates are even less from Nova Scotia to Edmonton than they are from Ontario to Edmonton?

A. The Nova Scotia Fruit Growers have an advantage over us in shipping to Edmonton. I am not saying that they are not paying enough—I think they are paying quite enough, and more than they should—but as a matter of fact they have something like 700 miles farther to haul their goods, and they get a rate of one cent per 100 pounds less to Edmonton than we Ontario people get.

By Mr. Douglas:

Q. Your rate to Edmonton on a car of apples is \$1.04 a hundred, I think?

A. I have not got the rate to Edmonton. To Calgary it is \$1.04 per cwt.

Q. That is a pretty good rate from Ontario. You say the Washington men have a discriminatory rate in their favour, but I question that very much. Your statement is that it takes three boxes to a barrel. That would mean that the freight would be 34 cents per box. My experience is that from British Columbia the freight rate for apples is about 38 cents a box.

A. I have something here bearing on that point. The Americans shipping from Oregon and Washington States pay for the haul of 765 miles between Lethbridge and Winnipeg, 18 cents a barrel, or 11 cents a cwt. while for the same distance we pay 84 cents a barrel, or 51 cents a cwt.

Q. That is by the barrel, but they do not ship any barrels at all from Oregon and Washington.

APPENDIX No. 5

A. No, by the hundredweight. In connection with the freight matters there are some things that I can scarcely understand. The American shipper, for 13 cents a barrel, can haul his apples for 657 miles, between Medicine Hat and Winnipeg. We Ontario growers, shipping from Ontario to Medicine Hat, by Winnipeg, have to pay 79 cents a barrel, or 66 cents a barrel more than the American do for the same distance from Winnipeg to Medicine Hat.

Q. You said that you have delivered apples in Calgary for four and somewhat dollars?

A. \$1.72 a barrel in Calgary freight.

Q. You quoted the price per barrel delivered.

A. At Moosejaw \$4.40 per barrel, delivered.

Q. And your freight rate would be what?

A. \$1.40 a barrel.

Q. Why is the freight rate less to Moosejaw, than to Calgary?

A. It is not.

Q. You said \$1.40 was the price per barrel?

A. Yes, and at Calgary \$1.72 a barrel.

Q. Yes, that is by the hundred. We were paying this fall for Washington fruit, number One's, \$1.65 a box. That would be \$4.95 a barrel, wouldn't it?

A. Yes, about \$5.00 a barrel. You were paying that retail.

Q. We were paying that wholesale by the car-load. If you can bring in fruit from Ontario to sell at \$4.40 a barrel why have you not got the advantage if you put the right kind of fruit in?

A. We do not get as much for our apples.

Q. Why shouldn't you get as much?

A. That is the question; we have no methods of co-operation. My belief is that we should have a bigger campaign along the lines of co-operative marketing. We should get cheaper freight rates, and I would also like to see co-operative marketing in the West. I know a dealer this year who sold a number of cars to co-operative farmers in the West at \$4.40 a barrel.

By Mr. Morphy:

Q. At what point, please?

A. Regina. The producer got \$1.95 a barrel, which was a pretty good price. At that price we think the producers are making money. The picking and packing of those apples cost 85 cents a barrel, the selling was 20 cents, the Railway got \$1.40. The Railway always gets its toll no matter whether the sale is a profitable one or not. By that method the producer got 45 cents a barrel more than he would have received, even through the Association, and the consumer in the West bought his barrel of apples for \$4.40, or 65 cents less than he would get them for in any other way.

By Mr. Thornton:

Q. Then according to your figuring the farmers got what went to the middleman in other cases?

A. Exactly, and the consumer at the western end, he got the share of the middleman also.

By Mr. Douglas:

Q. According to the way I figure it out he would make money by shipping apples in boxes.

A. Yes, I believe so.

Q. The freight rate on a box of apples is 52 cents, and allowing three boxes to the barrel that would give a freight rate of \$1.56 as against \$1.72 for the barrel?

A. Yes.

3-4 GEORGE V., A. 1913

Q. So that while the consumer would pay more, because he would not get the same quantity of fruit, you would have a better and more satisfactory market by shipping boxes of apples to the West.

A. I am fully alive to the importance of that method of shipment. I believe Ontario shippers will have to come to the boxes yet. I understand the Manitoba people do not care so much for boxes, but in Alberta and Saskatchewan they have got to have them.

By Mr. Armstrong (Lambton):

Q. What about the delays in transit?

A. The Railway Companies are delivering apples at the very rapid rate of about five miles an hour. They say they are giving us a special service and charge us accordingly, but some of the cars are only travelling at the rate of about three miles an hour. Our Provincial Association during the past season has kept track of about 2,000 cars, and we have complete records of their progress. The transportation committee of the Ontario Fruit Growers' Association appointed a man for the purpose of following up the record of those 2,000 cars, and we found the delivery to be very bad. I could give you some interesting details if you wish to hear them.

Q. All right, go ahead.

A. Eleven cars by one shipper (E. Lick) to Winnipeg. The fastest time was by one car, taking seven days; three cars took fifteen days, or three and one-half miles an hour; one car took sixteen days, or three and one third miles an hour. The others took from eight to fifteen days, and the losses on these cars ran as high as \$200.00 a single car.

By the Chairman:

Q. Were they cold storage cars?

A. Yes, refrigerator cars.

By Mr. Thornton:

Q. Would that sum mean the net loss to the shipper?

A. The net loss to the shipper. I have had a great deal of loss myself owing to slow transit in the shipment of apples this season.

Q. Those apples were worthless when they arrived at their destination?

A. Some were almost worthless.

By Mr. Wilson (Wentworth):

Q. What is the difference between the brand on American apples and the brand on Canadian apples?

A. I believe the American shippers do conform to our law in shipping to our market.

Q. Are the wholesale men in the West interested in orchards in the United States?

A. We think so. I am not sure that it is right, but it is suspected, and very strongly suspected, that the wholesale trade in the West is almost entirely in the hands of the Americans.

Mr. DOUGLAS.—The Royal Fruit Company is an American concern, for one.

Mr. JOHNSON.—There are a great many of them.

Mr. DOUGLAS.—They handle an immense amount of apples.

Mr. JOHNSON.—Naturally they encourage the importation of their own fruits. We believe the Railroad Companies of the United States encourage the shipment of fruit over their own lines into Western Canada. I am not sure as to the fact but I have been told on very reliable authority that a couple of years ago one of the big Railroad Companies of the United States dropped their transportation rates 40 cents a barrel in order to meet our competition and duty. Thus the Americans got their apples in at a very much cheaper rate than we could get ours.

APPENDIX No. 5

By Mr. Wilson (Wentworth):

Q. It is said that the Oregon apple is a better apple in appearance.

A. We have been told it is a better looking apple. We think its flavour is not so good as ours, although they claim it is.

Mr. WEBSTER.—I think you are right.

Mr. JOHNSON.—We think so. I often compare their apples to our Ben Davis for flavour. I am afraid the Hon. Mr. Burrell will not agree with me in that.

By Mr. Thornton:

Q. Don't you think in view of what has been said here to-day by the men from the West and by the men who have had experience in the packing and shipping of apples, that the true remedy is that a better apple, put up in better shape, should be shipped to the West? Do you not think that the Ontario packers and growers could command the trade of the West if they put up honestly packed apples, if it were known that there was honesty in the packing?

A. I believe that is true, but the conditions in Ontario are different from those in other countries and other States. For instance, the growers in California and Oregon have large plantations whereas in Ontario the apple business is almost entirely in the hands of the farmer. These men carry on mixed farming and besides apples they raise live stock, grain, &c., on their farms. Most of these men are not in positions to reach out after other channels of trade, they are not strong enough. Those of you who are farmers appreciate the truth of that statement. The average farmer with five or ten acres of orchard is not in a position to go out after markets for his apples. One avenue by which that can be done is through co-operative societies, and therefore it is desirable to undertake a vigorous campaign so as to encourage co-operation among the farmers.

By Mr. Douglas:

Q. What percentage of Number Two apples do you sell in the West?

A. About seventy-five per cent of Number One's and twenty-five per cent of Number Two's.

By Mr. Thornton:

Q. Don't you think it is inadvisable to ship Number Two's and Number Three's to the West?

A. No, there is a demand for good Number Two's.

Q. Isn't it true that by reason of shipping Ontario Number Two's to the West the impression has gone abroad that the Ontario apples are not as good as the American?

A. The Number Two apple is a good serviceable apple if properly packed and kept up to the standard required by our law. At the same time, the Number Two apple is a very hard fruit to sell, because when you go to a man and say, 'I want to sell a car of Number Two's,' he will reply, 'I don't want your number two's at all, no matter how good they are.'

Q. Those apples have been going to the West and they have been sold as Ontario apples?

A. Yes.

Q. But nothing has been said about their being Number Two's, and it gives the Ontario apples a bad reputation when compared with Number Two's from the United States.

A. There is no doubt about that.

Q. Wouldn't it be better to cut out the shipment of Number Twos?

A. I would not say so.

Mr. MERNER.—Every barrel containing No. Two apples should be marked No. Two and the people would then know what they were buying.

3-4 GEORGE V., A. 1913

Mr. JOHNSON.—Unfortunately a great number of third grade apples are marked as No. Two.

Mr. MERNER.—Well, the inspector should be punished for passing apples in that way.

By an honourable Member:

Q. You told us, Mr. Johnson, that the railway companies charge Canadians 60 cents a barrel more from Lethbridge to Medicine Hat than they do the Americans.

A. No, no, I think British Columbia has the same rate, but I said the Ontario shipper is charged 66 cents a barrel more.

By Mr. Best:

Q. Now the people of Canada have built these railroads and own them. Should not the railway commission get after those railways and compel them to give the Ontario shipper the same rate as the Americans?

A. I should like to see something like that done.

Q. The railroads are simply destroying Ontario apples. Surely it is time something was done to get fair-play?

A. I think so. I think there should be a vigorous campaign against the railways.

Q. Why not have a deputation wait on the commission?

A. Well we have laid several matters before the railway commission but have never got any satisfaction.

By Mr. Armstrong (Lambton):

Q. What about stop-over privileges in regard to the shipment of apples? Would it not be an advantage to have those privileges extended?

A. We find we have no stop-over privileges. It is a thing which we should have and which the railways should give to us. Cars and cars in our own district went to waste this year simply because we have no stop-over privileges. Seventeen shippers report that with stop-over privileges they could have disposed of 191 cars of fruit that was either teamed to station or not marketed at all.

Mr. BALL.—Well, if the railway commission will not listen to our appeals it is time the government was asked to take a hand with the commission.

By an Hon. Member:

Q. Just what do you mean by stop-over privileges?

A. Well supposing I am going to load a car with Baldwins and Greenings and I have got the Baldwins down the line fifteen or twenty miles away. If I had stop-over privileges I could have the car stop there and load them on, but as it is I have to team them up or pay the local freight rate which costs as much as teaming.

By Mr. Thoburn:

Q. Coming back to the question of rates, Mr. Johnson, do the Canadian railways charge 66 cents a barrel more for apples than American railroads for the same distance?

A. Yes, for the same distance.

Q. That statement only applies to the Province of Ontario?

A. It applies to Ontario.

By Mr. Steele:

Q. On shipments going West?

A. Yes. It means we are practically losing the trade of Saskatchewan and Alberta.

By Mr. Thornton:

Q. You quoted a rate, Mr. Johnson, from Medicine Hat to Winnipeg for American fruit, and you also quoted a rate from Medicine Hat to Winnipeg for Ontario fruit. Now would they not go over the same line of railway?

APPENDIX No. 5

A. Exactly.

Q. And we pay 66 cents a barrel more than they do, and that excess is paid to the same railway?

A. Yes, there are three railroads, I believe.

Mr. Best.—That is most unfair and it needs looking into more than anything else in the whole industry. 66 cents more over the same railway is a shame.

By Mr. Schaffner:

Q. I would like to understand this. Do you mean to say that a carload of American fruit, packed in Winnipeg, goes to Medicine Hat for 60 cents less than Canadian apples?

A. No, no.

By Mr. Morphy:

Q.—Supposing we shipped only No. One apples to the Northwest, what could we do with No. Two?

A. We could not do anything.

Q. What is the percentage of No. Two's and No. One's?

A. I should think this year fully 50 per cent.

Q. That would be a tremendous loss. Have you any suggestion to offer as to what should be done with our No. Two's?

A. Send them still to the West.

Q. Would not the evaporators in this country take them?

A. They are not supposed to be very liberal. I know something about the evaporating business as well as the fruit business. Even at 20 cents a hundred we could not make any money this year. Last year we could make money at 60 cents.

By Mr. Thornton:

Q. What about evaporated apples?

A. Evaporated apples are not worth more than 5 cents a pound to-day.

Q. Is there not the same difficulty with evaporated as with green apples? That is, there is a lot of rubbish put on the market which destroys the demand for that class of stuff?

A. To a certain extent, yes, but not altogether. The evaporated trade is very much like wheat, there is a good market for it if once established, and the present price for good, prime evaporated apples is about 5 cents a pound.

Q. The evaporated apple is tied up with the green apple industry. They are on a par in many respects, but don't you think there is a lot of stuff on the market to-day that is absolutely worthless? You would not take it as a gift?

A. I believe some of it sells for 2 cents a pound. Evaporated apples want taking out of the demoralized state they are in at present just the same as green apples, and there would be a demand if the right kind of stuff were put on the market. I think myself that the evaporators should be inspected as regards the quality of goods they put up.

By Mr. Douglas:

Q. Coming down to straight business principles, is it not true that the man who puts up evaporated apples properly commands the trade? There is a brand called the "Lalor" which commands a very high price in Canada. Is it not because it is put up properly?

A. I know a good many manufacturers who get as high as 6 pounds of evaporated apples to the bushel of green apples. I have not been able to get 5 pounds myself, which shows that many packs are not properly dried.

By Mr. Morphy:

Q. What are the regulations regarding the inspection of evaporated apples?

3-4 GEORGE V., A. 1913

A. There is no inspection so far as I know. There is an inspection of evaporators but no inspection of fruit.

Q. Don't you think it necessary?

A. I think there should be an inspection of evaporated apples.

Q. What is the effect of an excessive quantity of moisture on evaporated apples?

A. They mould.

By Mr. Thornton:

Q. A law went into force last year which provides that there shall not be more than twenty-seven per cent of moisture in evaporated apples.

A. In Canada?

Q. Yes, in Canada.

A. I did not know that.

HON. MR. BURRELL: The exact proportion of moisture in evaporated apples would be for the officers of the Inland Revenue Department to determine; it would be difficult for our inspectors to determine that.

MR. THORNTON: You have a fixed standard?

HON. MR. BURRELL: Yes, but the Inland Revenue Department deals with that.

By Mr. Thornton:

Q. The curing of evaporated apples is practically of more importance than the drying?

A. Yes.

Q. The great trouble is that often the apples are not properly cured or evaporated?

A. There is no doubt about that.

Q. Even supposing the apples are properly dried they will not keep well unless properly cured?

A. No, they are not as good.

By Mr. Armstrong (Lambton):

Q. Don't you find the express rates, east and west, prohibitive?

A. The express rates are killing the peach, plum and the tender fruit business; they are getting the whole thing. The express charge from Forest to Sarnia, 22 miles, is 30 cents a hundred, while the same railroad company, over the same rails will haul fruit from Forest to Boston for one-half of that amount.

Q. What about the rates from Sarnia to Winnipeg?

A. In shipping fruit from Sarnia to Winnipeg the rate is \$2.90 per hundred-weight. From Forest to Winnipeg, twenty-three miles less haul, the rate is \$4.20.

Q. Owing to the fact that Sarnia is a port of call?

A. A competing point.

Q. Why is it that apples pay double the rate for live stock, two and one-half times that for lumber, three times that for grain, and four times that for poles?

A. I cannot see why there should be that difference.

Q. Is there anything about the shipment of apples that would cause more serious loss to the railway company than the carriage of other goods?

A. I cannot see that there is. I cannot understand the discrepancy.

MR. WEBSTER.—I spoke to one of the railway officials at one time in regard to the discrimination in the classification, and he simply said that the risk to the company in the case of perishable goods was so much greater. For instance, if an accident happened to a car of coal, the coal would still be there, but if a car of apples were smashed everyone knows what the result would be.

MR. JOHNSON.—Yes, but live stock, for instance, is carried at a less rate with much greater risk.

APPENDIX No. 5

By Mr. Steele:

Q. Is it not a fact that many of the shippers from Ontario are merely acting as agents of wholesale dealers in the West? If so, who is responsible for the shipment of inferior grades of apples to the West.

A. The Western man is very largely responsible because he can always place himself in touch with reputable packers or growers in Ontario.

Q. From our part of the country they are nearly all agents of Western dealers.

A. Yes, the Western dealers pack tremendous quantities of fruit.

By Mr. Armstrong (Lambton):

Q. Do you find that serious losses result from the rough handling of fruit on the railways?

A. We find that they throw our fruit around in any way at all and it results in great losses, especially in peaches and plums. I would suggest that the fruit inspectors should also be made cargo inspectors. I am afraid I am going to increase their duties, but I cannot see why the fruit inspectors should not be in a position to prosecute a Railway Company for throwing our peaches and plums around and rendering them largely unmarketable, after we have spent months in taking care of the fruit.

Q. The farmer with a small orchard will have to go out of business unless some other arrangements are made to take care of his fruit?

A. There is no doubt about that. The small farmers are very much discouraged indeed.

By Mr. Steele:

Q. How would it do to have all fruits shipped to the West inspected at Winnipeg and Brandon?

A. That would mean that they would get all kinds of rubbish out there.

By Mr. Wright:

Q. Would not the fruit growers like to have their cars inspected?

A. The Apple Shippers' and various fruit growing Associations have asked for that time after time.

By Mr. Schaffner:

Q. They do inspect shipments in Halifax.

A. The same law that applies to Halifax also applies to us.

Hon. Mr. BURGILL.—Practically the whole of the Annapolis Valley apples go out by one port, and perhaps at one dock, where two or three inspectors can practically keep tab on everything.

By Mr. Webster:

Q. I do not know what your experience has been, but mine has been that the most careful inspector and best instructor is the chap who has put his money into the article.

A. Yes, there is no doubt about that.

Q. And is on the ground himself.

A. What about the poor fellow who is afraid to ship his apples and who has a small orchard?

Q. If he puts his apples up right he can sell them to the dealers.

A. The point I want to make is this: in Western Ontario I think fully 25 per cent of the apples went to waste, splended apples, the best of apples. The people were not organized in the shipping of those apples and no demand for them came. The result was they rotted, and the Western people lost the fruit which, under proper organization, they could have got at a reasonable price. They bought other fruit at a high price and the Ontario growers lost the fruit in their orchards.

By Mr. Lalor:

Q. Is it not a fact that the great handicap in the shipping of apples to the West is the freight rates?

A. Very largely.

By Mr. Sutherland:

Q. You stated that you laid a complaint with the Railway Commission?

A. We have laid several complaints before the Railway Commission and they have given us no reply whatever.

Q. Have they acted on your complaints at all?

A. They have never acted on them.

By Mr. Ball:

Q. Should not the Railway Commission be pressed in some way, by this Government or otherwise, to give some heed to your complaints?

A. Yes. We feel that they are not looking after our interests at all.

By Mr. Lalor:

Q. It strikes me as very strange that evaporated apples can be shipped from New York to points in our Canadian Northwest at a lower rate than I can ship from my station in Ontario, although the haul in the former case is very much longer.

A. I believe that is the case with apples shipped from New York state.

By Mr. Armstrong (Lambton):

Q. In what way was the Soo market lost in connection with freight rates, and also Fort William and Port Arthur?

A. The Northern Navigation Company refused to carry fruit to the Soo. We had to ship by some tramp boats, and as the railway rates are very much cheaper from New York, they can buy their apples down there, take them to the Soo and pay the duty for a lower rate than they can buy from us.

Q. And pay the freight rates?

A. And pay the freight rates.

Mr. THORNTON.—That is an awful state of affairs.

Mr. JOHNSON.—That is the condition of affairs I have been up against myself this year.

By Mr. Armstrong (Lambton):

Q. You have also found that the car shortage interfered materially with fruit shipping.

A. It interfered with us very seriously. I was affected that way myself, and my storehouse was piled up with thousands of barrels waiting for cars, but I could not get them. I have here one or two cases out of a great many on record. One shipper handling only nine carloads reports a loss of \$300 by delay in getting cars. Another man ordered on October 24th, 1912, eight refrigerator cars. He received two on November 22, 35 days after. One came on 30th November, and one on December 1, 38 days after. On October 24 there were ordered six refrigerator cars. Three of these were received on October 26, two days afterwards, and three on the 28th November, thirty-four days after, and all that time the fruit was standing there waiting and going bad. The railroads with their freight rates and their lack of cars and their lack of delivery are simply killing the fruit industry. The railway men tell us they are increasing their car capacity: 'Why', they say, 'We are catering for that trade, we are building refrigerator cars and doing the best we can to meet your trade'. As a matter of fact they are not. We find the Grand Trunk Railway Company, for example, have less refrigerator cars now than they had four years ago.

APPENDIX No. 5

By Mr. Ball:

Q. They charge a higher rate for fruit because it is of a perishable nature, and yet they do not take care of it?

A. No, they do not take care of it at all. Their average rate of speed is about five or six miles an hour. The Grand Trunk in 1911 had 944 refrigerator cars. In 1912, they had three cars less, or 941 cars. The C.P.R. have a little more conscience. In 1911 they had 1,329 cars, whereas last year the number had been increased to 1,501. During the last ten years there has been practically nothing done in the building of refrigerator cars by the Railway Company.

Mr. RUDDICK.—I have been very closely in touch with the refrigerator car business. Railway Companies have been building a large number of new cars. What have they been doing with their old ones?

Mr. JOHNSON.—These figures have been taken from the sworn returns published by the Railway Department.

Mr. RUDDICK.—But the Railway Companies have been building a lot of new cars.

Mr. JOHNSON.—I don't know what the Railway Companies have been doing, but we fruit growers cannot get any more cars than we used to get. These figures have been taken from the actual sworn returns made by the Railway Companies themselves.

By Mr. Douglas:

Q. Possibly the Grand Trunk are employing a number of these cars in handling the United States traffic.

A. Possibly they are, but according to their sworn returns they only had 941 refrigerator cars last year as compared with 944 in 1911.

By Mr. Armstrong (Lambton):

Q. What trouble have you experienced with regard to the pilfering of fruit en route?

A. Pilfering by Express Companies? It is a very dangerous thing to ship fruit by Express. They pilfer the fruit, and they simply smash it up in any way at all. The Railway Companies have not been so bad in the matter of pilfering. Sometimes there is the omission of a barrel, but they are not very bad offenders in the pilfering line. The complaints we have to make against them more than anything else are the high rates and the delays in transit.

By Mr. Sutherland:

Q. Do you think the Railway Commission is acting fairly with you in ignoring your complaints in the way they have?

A. I don't know whether they are ignoring us or not. It has struck me that they have so much business on hand that they are not able to attend to everything. They certainly have not attended to our wants.

Q. But these being perishable goods that you are shipping you would naturally expect that prompt attention would be given to your complaints.

A. We had expected it but we did not get it.

By Mr. Armstrong (Lambton):

Q. If there are any suggestions you would like to make to the Committee, please be good enough to state them.

A. If we had a freight rate equal to the flour and grain rate of the Western shipper, we would be able to save 35 cents a barrel on our apples shipped to the West.

By the Chairman:

Q. How far West?

A. Right out to Winnipeg. I have a note here on that point and it is that I think there should be an extension of power to the Board of Railway Commissioners.

3-4 GEORGE V., A. 1913

At the present time the Commission has no power to issue an order dealing with the rough handling or pilfering of fruit. Neither can they issue an order with respect to the vexatious delays or the rough coupling. These are two very important things.

By Mr. Lalor:

Q. Do you find that much loss is experienced in the stealing of barrels of fruit in transit to the West?

A. Not very much loss. We may lose a barrel now and then but it is not very serious.

By Mr. Schaffner:

Q. You could hardly expect, I think, that a cargo of apples could be carried at the same rate as a cargo of wheat or flour.

A. No, I do not think that we could. I merely brought that out by way of illustration.

By Mr. Douglas:

Q. With regard to pilfering, do the Railway Companies always make good your losses?

A. My experience with claims made upon Railway Companies is that it is cheaper, as a rule, to let the thing drop, rather than bother with them. They will run it on year after year and try to wear one out.

Q. That has not been my experience with them. Whenever we make a claim on account of pilfering it has been invariably settled by the Railway Company within two or three weeks.

A. Then you are very fortunate. We have had very many claims, but the Railway Companies have simply worn us out by a policy of delay.

Q. Who presents the claim?

A. The shipper, as a rule.

Q. Why should he?

A. He should not. But we ship apples to ourselves. We have our own salesmen out West. I do not make these claims in the case of f.o.b. sales. The fruit growers would like to see the jurisdiction of the Board of Railway Commissioners extended so as to enable them to settle claims that have stood out for three months. We think that is quite long enough, and that the Railway Companies can find out what they are going to do in that time instead of letting it drag on year after year until we have forgotten all about it.

By Mr. Armstrong (Lambton):

Q. What other suggestions have you?

A. I have here some notes as to why the apples are wasted in the orchards. Now, my opinion is, first, lack of co-operative organization; second, Railway and wholesale firms discriminating in favour of American fruit; third, no marketing system; fourth, high rates and poor transportation service; fifth, the Western markets do not care for our barrel, and they want boxes. We have certainly got to come to the boxes. I would like to see a vigorous campaign instituted in favour of packing in boxes.

By Mr. Schaffner:

Q. I would like to understand this: you say the Americans have the advantage in freight rates?

A. Yes.

Q. Do not the British Columbia growers, on their fruit from Medicine Hat to Winnipeg, have the same rate that the American shippers have?

A. I am not sure about that but I would suppose they have.

Q. I understand that the British Columbia growers have the same rate from Medicine Hat to Winnipeg as the American shippers have to pay.

APPENDIX No. 5

A. Possibly they have, I do not know as to that. But the figures I have given are correct. They have been gathered by our transportation officer, who has been devoting his whole time to that matter.

By Mr. Wright:

Q. Is the freight rate higher from Ontario to Winnipeg than it is from the points in Washington from which apples are shipped to Winnipeg?

A. I should say that the Ontario rate is decidedly higher.

Q. How does the mileage compare?

A. I don't know about that, but as I was saying, our shipments from Winnipeg to Calgary cost 84 cents a barrel. Their shipments cost them 13 cents a barrel, and they can distribute throughout the whole West for that rate.

Q. The Railway Companies could not possibly haul apples for 13 cents a barrel from Washington to Edmonton.

A. I understand that the freight rate from Calgary to Winnipeg is 13 cents a barrel. I think they are doing that because the Americans are getting the business at the other end.

By Mr. Douglas:

Q. What is your freight rate to Winnipeg from Ontario?

A. 88 cents a barrel, I think it is.

Q. And from Walla Walla to Winnipeg?

A. I have not got those figures.

Hon. Mr. BURRELL.—It would be quite possible for this Committee if they want to get at the freight rates to call a railway officer who is familiar with the matter.

The CHAIRMAN.—I think it would be the proper thing to do.

Mr. DOUGLAS.—There are many things in connection with freight rates that we do not understand.

Mr. JOHNSON.—We find that we have to pay higher rates to get our freight into Calgary. A Wholesale House in Calgary can stock up with American fruit cheaper than we can ship it on account of a cheap rate.

By Mr. Douglas:

Q. I understand you to say that the rate on American fruit from Calgary to Winnipeg is 13 cents.

A. Yes, 13 cents.

By Mr. Lalor:

Q. Going West there is discrimination against our own shipments?

A. Yes.

By Mr. Wright:

Q. Have you made any shipments from Calgary to Winnipeg?

A. No, I never did.

Q. How did you get these freight rates?

A. They have been worked out for me by the transportation man of our Association, who devotes all his time to the question. He has been looking into the freight rates for the last six months.

By Mr. Thornton:

Q. What did you say was the rate from Winnipeg to Calgary?

A. The Americans pay 13 cents a barrel from Calgary to Winnipeg. The distance between the points is 837 miles. We Ontario shippers pay 94 cents a barrel or

3-4 GEORGE V., A. 1913

51 cents a hundred. The question was raised as to why there should be so much American fruit in the Northwest, as to why perhaps 60 per cent of the fruit used in the three Western Provinces should be from the United States. That is the reason we came to figure out the rates.

Q. These rates are granted not because the fruit is American but because it is being shipped Eastward.

A. Yes, it is being shipped Eastward. I think also it is because it is being hauled on the lines of the Great Northern through the American states.

By Mr. Wright:

Q. You would naturally think that if there were any discrepancy it ought to be in the other direction. Your apple shipments are generally made in the Fall just as the shipments of wheat are coming East?

A. Yes, you would naturally think that the cars would be going back to the West empty.

Mr. DOUGLAS.—Yes, but it is refrigerator cars that are used for the apple trade.

The CHAIRMAN.—Now, gentlemen, time is slipping by and if you have no other questions to put to Mr. Johnson the Minister of Agriculture has a few words to say.

Hon. Mr. BURRELL.—It has been a great help to have Mr. Johnson here, and the information he has given will, I am sure, be very helpful. If Mr. Johnson has finished his subject I would remind the Committee that Mr. Ruddick, Cold Storage and Dairy Commissioner, and Mr. Macoun, Horticulturist of the Experimental Farm, are here. Possibly they may have some questions to put to Mr. Johnson, questions that he may be very glad to answer, and the information elicited may help to cover the ground more effectually.

We have been told by Mr. Johnson that the greatest drawback to the fruit industry relates to the railway and express questions, and that the Railway and express Companies are practically killing the industry. I am not as closely in touch with the fruit industry of British Columbia as I was some years ago. When I was more closely connected with it we got some of our grievances remedied, and I had an idea that the conditions of the industry were getting better all the time, but perhaps it is a slow process. As far as British Columbia is concerned we have our grievances in the fruit industry like everybody else, but we have not, I think, any very serious grounds of complaint so far as freight and express questions are concerned. These have been remedied to some extent.

In regard to what Mr. Johnson says about the Railway Commission, it is most desirable that the Commission should give a fair hearing and a fair response to any legitimate complaint put before it in less time than Mr. Johnson has indicated. I know that in regard to matters connected with the Express Companies the new Chairman has the whole question of Express rates under consideration at the present time and probably will have something to say on it before very long. If Mr. Johnson will remember, in 1905, at the Fruit Growers' Conference, a Committee of six or seven of us representing all the Provinces waited on Sir Wilfrid Laurier, and persuaded the Government of that day to put the Express Companies under the control of the Railway Commission. It certainly would not be any good to put these Companies under the control of the Commission if the Commission does not control them in the interests of the public.

Mr. Johnson also touched on the educational question in connection with our inspection system. I would not like anybody to think that we do not, in connection with that system, carry on some instructional work, and I do not suppose Mr. Johnson meant to convey that idea. The fact of the matter is that one of our most efficient inspectors in Ontario, Mr. Carey, is doing as much work of that kind as he possibly can, especially in regard to the packing of boxes, of which I am glad to hear

APPENDIX No. 5

Mr. Johnson so heartily approves. Mr. Ruddick tells me that Mr. Carey is giving his whole time to instructional work along those lines, and last year I authorized a special box inspector to go to Guelph for the short course so that he might give a lot of lessons there. Anything legitimate along that line we will be glad to look into and endeavour to remedy as far as we can.

I think I am right in saying that Mr. Johnson laid more stress on anything, apart from the difficulties connected with the railways, on the success that was to be achieved by means of Co-operative Associations, and I think he is absolutely right. In regard to this matter of honest packing, it is true it is not all that could be desired from the consumer's standpoint, but those of us who have been in the practical business of fruit growing believe that it is very much better than it was years ago. I know as regards the old district that once I lived in, in Niagara Peninsula, that when I went back there had been marked improvement, and I suppose Mr. Douglas, speaking as a Northwest consumer, will admit there has been an improvement on the methods of say ten or twelve years ago. In British Columbia we have been driven and forced into improved methods by the competitive work of the great Associations of California, Oregon and Washington. To show you how slow it is, how it goes against the grain of men to have to reject a lot of the poorest fruit, which is not fit to be put on the market, I can give you as an illustration an association that was formed sometime ago in British Columbia. They employed a first-class manager, whose business it was to overlook and be responsible for the packing. As the men brought in their fruit it was culled by that expert packer and graded as No. 1, No. 2 and so on. Well, the first year of that association's work the man was nearly murdered, of course, and there was all kinds of trouble because he was culling out so rigorously, and great pressure was brought to bear against so rigorous a grading; but as time went on and the same high standard was maintained the fruit of that association began to get known as a first class product and the result was that there was always a place for it on the market.

In regard to Mr. Johnson's complaint which I think probably is right—that the small orchard is in danger of being crowded out, I think myself that the small orchardist who does not exercise intelligence in his work is certainly going to be crowded out, because it requires just as much intelligence to grow and pack first class fruit as it does to rear Shorthorns or any agricultural product, and any man who thinks he can get along without intelligent application will certainly not make a success of it. When I went back to the Niagara peninsula after being in British Columbia a great many years I found the conditions there very bad. Probably 1894-99 were the worst years they ever had, in so far as the marketing and packing of fruit goes. I found that the men in that district who had given careful and intelligent application to their business were thriving in spite of a great many disabilities, and a great many men had been driven right out of the business. That was the result down there.

I think it is absolutely true that success must come through co-operative efforts to eliminate the middlemen, who grab so large a slice of the product as it passes from the producer to the consumer, and a better system of marketing is certainly needed. There is no question about that. This year we had to face the conditions which prevailed in 1896-7. I know that in that year I had 3,000 cases of peaches in my own orchard go absolutely to waste because there was an enormous crop on both sides of the line which had to be marketed, and no market could stand it. The same thing occurred again this year, to some extent. It is largely because of the enormous production, not only in our own country, but on the other side of the line. Mr. Ruddick, the last time he was here, gave you some figures showing that Washington packers were only getting from 37 cents to 70 cents a case. In British Columbia we estimate

3-4 GEORGE V., A. 1913

that to cultivate, pick, pack, put a proper amount of interest on your capital and deliver on board, costs from 55 cents to 65 cents a case to the grower. Our men have gone into this very carefully. The American figures are a little lower—from 45 cents to 50 cents—and with a production of probably 14,000 or 15,000 carloads for exportation from those Western States you can easily understand what the conditions were in America in a year like this. Down in Walla Walla there were orchards that were never picked at all because the men came to the conclusion it would not pay them to pick.

I had a talk with some C.P.R. people when I came down last fall, because I had heard so many complaints, and they told me that a better system of organization amongst shippers and producers of fruit, with a view to better distribution of their product would effect a great improvement. One of them stated that our men were bitterly complaining because they could get absolutely nothing for their peaches. I know of one point where 300 to 400 tons rotted in the orchard. Sir William Whyte and other C.P.R. officials with whom I discussed this, told me that there was no time when dozens of small towns scattered throughout the Northwest could not have handled a carload of fruit and paid a price for it that would have netted a fair profit to the man in the orchard. But what happened was this. All the growers were shipping to Calgary, Edmonton, Winnipeg or some other big point where there would be 30 to 40 cars of American fruit at the same time. Unable to dispose of them there, they would be shipped to some other point almost as big, in the hope of distribution, but without success, as the same conditions prevailed there. Now if we had had a distribution organization, so that the cars could have been diverted to different points in the Northwest where small lots were needed, a large majority of these carloads would have been saved and brought a fair price to the shipper. Throughout that vast country not one man in ten tastes fresh fruit, from the fact that he cannot afford it or because the fruit does not get to him in proper shape. I am speaking now of the whole country. We could reach five times our present market with proper means of distribution.

Mr. DOUGLAS.—Is it not a fact that the C.P.R. gives a special rate to Edmonton, Calgary and Saskatoon, for fruit, thus preventing it from going to smaller places?

Hon. Mr. BURRELL.—I would not be positive as to that.

Mr. DOUGLAS.—I think it is true.

Hon. Mr. BURRELL.—That may be, of course, but at the same time I think the C.P.R. would meet in a fairly reasonable way every attempt to try and improve the transportation and distribution of the fruit all through the Northwest. Of course these railway questions are very complex and it is only human nature for them to say to us, 'We put on just what the traffic will bear.' I think, however, that there is a little better disposition now on the part of some of the companies to meet the growers and producers whenever they are ready to get together and work out a scheme along business lines. I think the suggestions of Mr. Johnson are admirable, and I think the more we hear of these things and invite suggestions from the big growers, the better it will be for the whole industry. We are working on the same lines, we want to bring the producer and consumer together in such shape that the former can always feel that he has a good article to ship for which he can get a reasonable and decent price. And the consumer, I am sure, will always be willing to pay that price if he gets that article. So I would make the suggestion, Mr. Chairman, in sitting down, that the Provincial Fruit Growers' Association of British Columbia, or the Government of that Province, depute some man to come before this Committee in the course of a week or two, to give information on the points raised this morning, and that the same course be followed in regard to the Province of Nova Scotia.

APPENDIX No. 5

The CHAIRMAN.—Will you suggest the name of a witness?

Hon. Mr. BURRELL.—I do not think I could suggest a name as well as the Provincial authorities could. I would propose that you get into touch with the Deputy Minister, Mr. Scott, and he will probably give you the name of the best man to call.

Mr. THORNTON.—Would it be wise to adopt this morning some definite line of action calculated to meet the conditions that have been disclosed?

The CHAIRMAN.—I think it would be better to wait until all the evidence is in our possession.

Mr. SCHAFFNER.—Did I understand the Minister of Agriculture to say that the fruit growers of British Columbia are fairly well satisfied with their freight and express rates?

Hon. Mr. BURRELL.—I said that on the whole I thought there was no very great ground for complaint, and that the fruit growers this year are pleased with the C.P.R. You think, I suppose, it was on account of the tremendous competition coming in from the United States. Mr. Ruddick may know the facts better than I do. How does the matter stand, Mr. Ruddick?

Mr. RUDDICK.—I think the fruit growers were fairly well satisfied with the concessions they received. Last season there was a great improvement in the facilities afforded in getting out the fruit from the Okanagan. Okanagan Lake is one hundred miles long and the railway terminus is at its northern end. The railway company provided barges on which refrigerator cars were carried down to the different landing stages along the shore. The cars were put on shore, loaded with fruit at these different points, and then conveyed back to the terminus. That was one of the things that gave relief this year, but there were other concessions in connection with railway rates. If I might be allowed to make a suggestion on the question of freight rates it seems to me we could get the information very easily by simply asking one of the traffic officers of the Railway Commission to appear before you. All the railway rates are on file in the offices of the Railway Commission, and their officers can give you such information as you require.

Hon. Mr. BURRELL.—We want to go further than that and ascertain why certain alleged discriminatory rates are adopted.

Mr. THORNTON.—The same thing applies to express rates.

Mr. RUDDICK.—I do not know how far they have gone in the matter of express rates.

Hon. Mr. BURRELL.—They are all under the control of the Railway Commission.

Mr. LALOR.—Would it be possible for us to get the competing rates in the United States for the same distance?

Mr. RUDDICK.—As a matter of fact I had those rates the last time I was before the Committee. I did not bring them to-day because I did not expect they would be asked for. I have copies of the rates to points in Oregon and to Calgary, which were furnished by the Railway Commission.

Mr. FOSTER (Kings, N.S.).—I have a motion to make, but before presenting it I wish to ask Mr. Johnson one question: Do the Co-operative Associations in Ontario, so far as he is aware, appoint their own apple inspectors in addition to co-operating with the inspectors appointed by the Government?

Mr. JOHNSON.—Some of the Associations do. For instance in Norfolk the fruit growers pack some 65,000 barrels. They have, I think, four or five inspectors, men who do nothing else but simply go round and inspect the apples, devote all their time to the inspection. These men of course work in co-operation with the Dominion Government Inspectors. In the case of the average Association the inspector is Manager, and he watches matters as closely as he can.

3-4 GEORGE V., A. 1913

Mr. FOSTER (Kings, N.S.).—In the Province of Nova Scotia, particularly in the Western part, great advances have been made in the system of co-operation. They have had some experience with regard to the Western market, and know just exactly how that experience has worked out. I would therefore move that Mr. S. B. Chute, of Berwick, Nova Scotia, President of the Association of Co-operative Societies, be summoned to appear before this Committee to speak on the work of co-operative societies in the Province of Nova Scotia. Mr. Chute is a practical man in every sense of the term—I think Mr. Burrell will bear me out in that statement—and ought to be able to give the Committee some valuable information.

Motion agreed to:

Committee adjourned.

HOUSE OF COMMONS.

COMMITTEE ROOM No. 105.

THURSDAY, February 13th, 1913.

The Select Standing Committee on Agriculture and Colonization met at 11 a.m., the Chairman, Mr. Sexsmith, presiding.

The CHAIRMAN.—Gentlemen, we have with us this morning Mr. S. B. Chute, of Berwick, N.S., manager of the United Fruit Companies of Nova Scotia. This gentleman is coming from one of the Eastern Provinces. You hear a great deal about the fruit industry of Nova Scotia and no doubt he is in a position to give you some valuable information respecting that most important and valuable industry. I would suggest that it will be more agreeable to the witness and at the same time be more satisfactory to the Committee if you keep to one subject till you have pretty well exhausted it before looking up another branch. It will be better for the witness and the information will be in much better shape for the public. We will now hear what Mr. Chute has to say.

Mr. S. B. CHUTE.—Mr. Chairman and Gentlemen: In the first place I wish to thank you for the courtesy you have extended to me in inviting me to place before you the claims of the Fruit Growers of Nova Scotia, also to state that your consideration in so doing is much appreciated by the 1,500 farmers comprising the membership of the United Fruit Companies of Nova Scotia.

This Company, of which I am general manager, is comprised of twenty-nine Co-operative Companies. Other companies are being organized and it is safe to estimate that in June next there will be in the United Fruit Companies, forty such Co-operative Fruit Companies, representing 75 per cent of the entire apple crop of the Valley. Up to the present time we have this season shipped over 300,000 barrels of apples.

The Fruit Industry of Nova Scotia has made wonderful strides in the last few years, while ten years ago the total exportation of apples did not exceed 600,000 barrels, last season some 1,700,000 barrels were shipped.

As an indication of the steady growth, I quote the following figures:—1880—41,735 barrels; 1890—89,000; 1896—109,000; 1903—600,000; 1908—625,000; 1909—1,000,000; 1910—350,000; 1911—1,700,000.

Huge acreages of orchards have been set out during the last five years and it is safe to predict that in five years' time 3,000,000 barrels of apples will be an average yearly shipment for the famous Annapolis Valley.

You will gather, therefore, that this industry is rapidly becoming one of the most important in Nova Scotia and we who are engaged in its operation and have large sums of money at stake feel that the time has come when the Dominion Government should give us the same measure of protection that is provided for other important industries.

I think this can best be accomplished by the creation of a Department whose special care shall be the interests of fruit industries of the Dominion. At present this industry is in the care of the Dairy and Cold Storage Commissioner but we feel that it is now of sufficient importance to merit the sole attention of a special Department.

The fruit industry is labouring under many difficulties and disadvantages and is seriously handicapped thereby.

We in Nova Scotia feel that we have a decided grievance in the matter of railway transportation.

3-4 GEORGE V., A. 1913

Many years ago when very few apples were shipped they were placed on the railway schedule under Section 5. This is a specially high rate made to cover perishable commodities that have to be transported quickly and which require special attention to prevent spoiling. For all practical purposes it can be said that apples are now only shipped in carload lots and receive exactly the same attention from the railway companies as such merchandise as feed, flour, fertilizer, etc. Cars of apples are handled with no quicker dispatch and receive no better attention than the commodities mentioned.

The railway companies accept no responsibility of any kind in connection with the apple traffic and in cold weather will endorse all bills of lading "owners risk of frost," and have no scruples even in the coldest weather to side track several cars of apples all night, in the short run between Annapolis Valley and Halifax.

Apples shipped in carload lots to Cape Breton receive no consideration other than would be given to general merchandise. The same thing applies to traffic to Montreal and Winnipeg. Our consignees at Montreal complain very bitterly of the length of time apples are in transit. During the warm weather when soft fruit is being shipped, the delay arising costs us thousands of dollars in deterioration of fruit. Many cars this winter have been ten days in transit between Annapolis Valley and Montreal, while general merchandise carried on a lower rate when dispatched to connect with boats, will complete the journey in three days.

Cranberries have been ten days making the trip to Montreal and have arrived almost worthless and we have had to pay a special rate for quick dispatch which we are not obtaining.

By Mr. Foster (Kings, N.S.):

Q. Did the C.P.R. put any proposition before you absolutely preventing you from shipping west over the G.T.R.?

A. They held us up for several days and would not allow the apples to be taken away from the station unless we had bills of lading over their road.

Q. There were a number of barrels of apples ready for shipment?

A. Car lots.

Q. Where were these apples going to?

A. To Winnipeg and points beyond.

By Mr. Best:

Q. Can you tell us what percentage of apples went to the Western Provinces and what percentage to the Old Country?

A. Up to 1911 we shipped practically nothing West, only a few cars of Gravensteins. In 1911 we put out 13,000 or 14,000 barrels and last season somewhere about 10,000 barrels. About 3 per cent. of the crop goes to the West. About 80 per cent. went to the Old Country and the balance to the local markets.

Q. Do you make most on those you send to the West or on those shipped to the Old Country?

A. Oh, the Western was a nice market for our Gravensteins. I do not know that we have figured it up that way. We fill up the English market with all they can take at the price, but Winnipeg is also a good market.

By Mr. Foster (Kings, N.S.):

Q. You have just referred to the shipment of some 300,000 barrels, that of course referred to the shipments of your own United Fruit Companies; you were not speaking of the whole of Nova Scotia?

A. Yes that was the United Fruit Companies output and I should think 3 per cent. of the Nova Scotia apples is all that has reached the West yet, and 80 per cent. of the crop went to the Old Country and the balance went to the local markets: Montreal, Halifax, Sydney, Newfoundland and to South Africa.

APPENDIX No. 5

By Mr. Thornton:

Q. What was the total of the Association shipments this last season?

A. Some 400,000 barrels.

By Mr. Foster (Kings, N.S.):

Q. What price did you get in 1911 in the West?

A. We sold in 1911 in the West commencing at \$2.50 a barrel, but when the speculators found there was a market there they came in and bought the apples from the growers at from \$1.10 to \$1.25 and quoted at \$1.35 to \$1.50 f.o.b. cars.

Q. That was f.o.b.?

A. Yes, we had to reduce price to \$1.75, but the farmers would sell to the speculators for from \$1.10 to \$1.50 a barrel.

By the Chairman:

Q. At \$1.10, do you mean picked and packed?

A. Yes.

Q. That does not include barrels?

A. Yes.

Q. What are they worth?

A. Twenty-five to thirty cents.

Q. What is the cost of packing?

A. Fifteen cents and ten cents to pick.

Q. Twenty-five cents picked and packed?

A. Yes.

Q. Your barrels were uncommonly cheap, were they not?

A. Yes.

Q. We cannot get barrels at that price up here?

A. This year they cost twenty-eight cents.

Q. You have never paid more than thirty cents down there?

A. Never except when some cooper squeezed the poor farmer, twenty-five cents has been the average price for the past ten years, but we will have to pay thirty cents for barrels in the future.

By Mr. Foster (Kings, N.S.):

Q. What material are they made of?

A. Spruce—soft wood.

Q. Have the farmers any idea how long at the present rate of consumption the supply of spruce for apple barrels in Nova Scotia will last? Have any steps been taken to conserve the supply?

A. No, it has not, but we have no fears with the immense acreage of timber land there, of the supply running short.

Q. Has the Conservation Commission on Forests ever taken up the consideration of the subject with your society do you know?

A. No, it has not.

Q. Has the local government of Nova Scotia made any suggestion with regard to that matter?

A. No.

Q. What do you think? That it would be a good thing to have the farmers themselves interested in endeavouring to act in co-operation with the officials that the Government may appoint under which the conservation of forests may be looked after in the Maritime Provinces?

A. I think it would be an excellent idea because the barrel question is going to be a very serious one in the next twenty years.

MR. FOSTER (Kings, N.S.).—I might point out to the Committee my reason for asking these questions. From the records of the local government, after an extensive

3-4 GEORGE V., A. 1913

analysis that was made in 1911, in July and August of that year, it was found that in Nova Scotia we were cutting timber about a million feet faster each year than it was growing; and it was pointed out that urgent steps should be taken in order to prevent the supply from becoming exhausted. I thought it might be well to mention this to the Committee as similar conditions may prevail in other parts of the country.

Mr. CHUTE.—The Government is taking special care in regard to forest fires.

By Mr. Bowman:

Q. What percentage of your output is put in boxes?

A. Practically nothing at all. Our society has shipped this year 16,000 boxes and 300,000 barrels.

By Mr. Foster (Kings, N.S.):

Q. How does the price for boxes compare with the price for barrels?

A. It pays us to pack in boxes, but the average farmer is too careless to grow, spray and handle fruit fit for boxes.

By the Chairman:

Q. Is ten cents a barrel the average price for picking?

A. Yes.

Q. Then your wage conditions must be very different from here.

A. Well, \$1.50 a day is the average wage down there.

By Mr. Foster (Kings, N.S.):

Q. Is that with board?

A. No, the man boards himself.

By Mr. Bowman:

Q. How many co-operative associations have you down there?

A. Twenty-six this year, united with United Fruit Company.

Q. What percentage of the farmers are members of the associations?

A. We consider that nearly half the farmers belong to them.

Mr. SCHAFFNER.—I think it would be well if Mr. Chute explained the system adopted in Nova Scotia. Most of these men are from Ontario, where, I think, our system is quite different.

Mr. CHUTE.—I am very much interested in the transportation question.

While two years ago our apples were carried to Winnipeg in five to seven days on an average, this year the quickest dispatch we have received has been ten days.

I therefore claim that the railway companies are charging us for a service that they are not giving, and under existing conditions we have no remedy.

Carloads of feed and flour are carried from Montreal to the Annapolis Valley at a rate of twenty-five cents per 100 pounds, and receive the same despatch and attention as carloads of apples for which we have to pay 32 cents per 100 pounds.

Fertilizer from Halifax to Annapolis Valley is rated at six cents per 100 pounds, while apples receiving only just the same amount of attention, and for which the railway company assumes no further responsibility are rated under section five at eleven cents per 100 pounds.

You will see by these figures that the railway companies are levying on the apple industry a toll out of all proportion to the services rendered.

In addition to this they flatly refuse to grant us clean bills of lading; endorsing all bills of lading submitted, "Shippers Load and Count." A bill of lading so endorsed is perfectly worthless. They claim that cars being loaded at our warehouses are loaded on private sidings, and for that reason we cannot obtain a clean bill of lading. While the apples are certainly loaded at our warehouses, all of these warehouses with but one exception are at railway stations so that the officials have not to be away from their stations for the purpose of checking cars.

APPENDIX No. 5

Now the milling companies and the fertilizer companies who enjoy the lower rate also enjoy the privilege of clean bills of lading although their cars are, generally speaking, loaded on private sidings quite a distance from stations.

On any advice of shortage in a car of feed or fertilizer, the shippers, through their clean bills of lading, are able to claim on the railway company and collect for the shortage. We, on the other hand, pay a higher rate, receive no better service, and cannot even obtain a clean bill of lading, and are therefore unable to claim in respect of shortages.

You will realize that this is a somewhat serious matter to our company who are shipping 20,000 barrels of apples weekly.

We are also treated very unfairly in connection with supply of rolling stock to carry our apples to Cape Breton, Montreal and the Northwest. Last fall we had to cancel orders for thousands of barrels of apples, because we could not obtain rolling stock to convey same to the Northwest. We gave the railway company timely notice of our requirements, ordering the cars required a month in advance, but when the time came to ship, very few cars were available and thousands of barrels of Gravensteins, after waiting many days, had to be shipped across to Europe at a tremendous loss to the growers. Had they been shipped when packed they would have brought big prices.

We went to some considerable expense to establish a trade in Cape Breton and Montreal, but this trade has been entirely killed through lack of proper rolling stock. Refrigerators are required for this trade after November.

I am not familiar with the scope of this inquiry, but while before you I would like to mention another matter we should like remedied. At the present time there is a duty on acid phosphate coming into Canada. Acid phosphate is used very largely by orchardists in the production of apples, and is, in fact, part of the raw material from which their product is made. To retain the duty on this material is a direct tax on orcharding and general farming and benefits no particular industry.

I have received no particulars of the purpose of this committee beyond what I have read in the newspapers, but what I have gathered there would indicate that you will inquire into the ways and means of increasing the consumption of apples by reducing the cost to the consumer.

We in the Annapolis Valley consider that we have adopted methods that will not only reduce the cost of fruit to the consumer, but will secure for the producer more money for his product.

This we are accomplishing through co-operation. Through co-operative buying of materials we are able to furnish our members with all the requisites of the farm at absolutely first cost. We are purchasing for our members this season between 4,000 to 5,000 tons of fertilizer by buying this direct from the manufacturers, thus eliminating the profits usually made by the several middlemen and by chartering our own steamer to convey it we consider we have effected a net saving for our members of \$15,000.

We intend to purchase all the feed and flour required by our members and we estimate that we shall handle about 200 carloads of this material during the year at a saving to our members of about \$20,000.

Spraying materials, lime, sulphur, arsenate of lead, power outfits and all accessories, seeds, farming implements, &c., will be bought at proportionately large savings.

In this way the cost of producing apples will be considerably lessened and through co-operative selling and handling of the product of the orchards, apples can be placed in the hands of the consumer at a lower price than ever before and yet return to the producer a better remuneration.

The reason of this is that through the co-operative method of handling, the expense of shipping is materially reduced. Co-operative apples are handled by our own office at the point of embarkation and, arrived in Europe, they are again handled by our own men. We save in expenses at Halifax; and in Europe by doing our own receiving, cartage, etc., we save again. In this way all middlemen and agents' expenses

3-4 GEORGE V., A. 1913

are done away with and the fruit is put on the market at actual cost of transportation, the heavy additional commission that had previously been paid to a whole army of agents being entirely done away with. This difference at present all goes to the members of the co-operative companies. The consumer, while paying no less per barrel for his apples, is getting much better value when he buys a barrel of co-operative packed apples, for every co-operative company has to pack to a very high standard and every barrel is guaranteed.

Briefly, the co-operative scheme as we are working it in Nova Scotia cuts out all unnecessary expense and secures for the farmer the full value of his product and gives the consumer full value for his money.

We figure that the entire working expenses of the Central Association will not exceed three cents per barrel. Under the old regime the grower had to pay in commission, advanced charges, &c., anything from twenty-five to thirty-five cents per barrel, in addition to a number of heavy charges on the other side, so you will readily see that our present system effects a very real saving.

I do not know that we are working under any recognized school of co-operation, although the system we are working on more closely resembles the Rochdale system than any with which we are familiar.

We do not tie ourselves to that or any other school, preferring to develop our own system as we think it expedient. Our system is briefly this. Local companies are formed comprising a membership of about 40 to 80. These members agree to bring in the whole of their standard varieties of apples to be packed by their company and receive the average price made on each variety according to the quantity of No. 1, No. 2, and No. 3 that their fruit packs out. All fruit is packed in the warehouse under close inspection of officers from the Central Association. No member is allowed to pack any standard variety at home. The subsidiary company occupies the same position to the central company that the member does to the subsidiary company. The fruit of all companies is pooled and is entirely controlled by the central office, which issues instructions to all companies as to what to pack, when to pack and when to load, &c. The Central is in touch with all the markets of the world through its own representatives and effects all sales, subsidiary companies not having power to make any sales except through the central office. Through our system of centralizing sales in Europe we create competitive buying, thus obtaining for our members the best price for their product at the minimum cost of handling. The prices obtained for each variety are averaged, and the companies shipping receive the average made on each grade.

One thing is imperative in working a system like this, and this is absolute uniformity of pack. This, you will understand, is a somewhat difficult matter. To meet this we have our own inspectors, whose business it is to see that our uniformly high pack is maintained. An inferiority in any pack is immediately reported by our men in London and Liverpool, so we are thus able to keep a double check, and, so far, have had little difficulty. I have every confidence that the system we are working is correct, and it is working out to our entire satisfaction.

I have with me a copy of the Act under which we are incorporated, also a copy of the Act under which subsidiary companies are incorporated. These Acts we require amended, and we are going to the Legislative Assembly at Halifax this session for this purpose, and any assistance you can give us will be more than appreciated.

By Mr. Best:

Q. Are these apples packed in packing houses?

A. Yes.

Q. How are they taken from the orchard to the packing house?

A. In wagons. They are picked in barrels.

APPENDIX No. 5

By Mr. Thornton:

Q. Do they leave them loose in the barrel or do they put the head in and press them lightly?

A. Yes, they are headed and pressed lightly. Early apples feel it less. They are packed as fast as possible. Our packing houses are 40' x 100' with frost-proof cellars.

By Mr. Douglas:

Q. Have you ever taken up the question of transportation difficulties with the Railway Commission?

A. No; I made a complaint a year ago to the Commission, and they sent me a notice that I would be required to be in attendance, but I found it impossible for me to do so. We were not perfectly organized at that time.

By Mr. Thornton:

Q. Do you pack any more than one grade?

A. We pack No. 1, No. 2 and, this last season, No. 3. This year our crop of No. 3 is heavy on account of the carelessness of the farmers in spraying.

Q. Do you pack No. 3 and ship to the Old Country?

A. Yes.

By the Chairman:

Q. Do you think that is in the interests of your company?

A. I think there should be a law prohibiting the export of No. 3. As long as the farmer can get anything at all for them he will grow them.

By Mr. Wilson (Wentworth):

Q. Do you take apples from a farmer who does not spray?

A. Yes; but most of our apples are sprayed. A man who does not spray is really punished because he only gets the price of No. 3.

By Mr. Thornton:

Q. When No. 1 are worth \$1 a barrel in the orchard, would No. 3 be worth 50 cents?

A. No, the average on Gravensteins this year would be \$2.07 for No. 1; \$1.73 for No. 2 and 80 cents for No. 3.

Q. It costs as much to pick and pack a barrel of No. 3, and pay for the barrel and shipment, as it would on No. 1?

A. He loses money on No. 3.

Q. It does not pay in the long run?

A. It does not.

Q. What would you propose should be done to remedy that?

A. I think the lesson our farmers had this year in such a large output of No. 3 will teach them to spray.

Q. Do you not think some means should be taken whereby the exportation of No. 3 to the foreign market should be prohibited? They damage the reputation of the Canadian product.

A. It would be remedied if No. 3 was to be cut out.

Q. Would not that be accomplished by your Association refusing to pack No. 3?

A. Yes; but you know our Association is composed of farmers. Besides, our No. 3 is not put up under our brand.

Q. But they are sold as Canadian apples?

A. The United Fruit Company puts out no No. 3 under its own name.

By Mr. Schaffner:

Q. Do you ever accept apples in the Annapolis Valley from men who do not spray their trees?

3-4 GEORGE V., A. 1913

A. Yes. We have men who spray, and spray. There is a difference between a man who works with a spray pump, and one who does it just for the sake of being in style.

Q. You had most difficult weather conditions this season?

A. Yes, we had; but most of our men who sprayed thoroughly got beautiful results.

By Mr. Thornton:

Q. Don't you think the amount of foliage on the trees had something to do with the crop of apples?

A. Well, no doubt pruning helps; but it did not keep the fungus away.

By Mr. Sutherland:

Q. Do you practice co-operation in spraying?

A. No; each farmer has his own outfit.

By an Hon. Member:

Q. How many times a season do you spray?

A. It is better to spray five or six times; but the general rule is three or four times.

By Mr. Foster (Kings, N.S.):

Q. What do you spray with?

A. With Bordeaux and lime of sulphur. We are using mostly lime of sulphur.

By the Chairman:

Q. In what proportion?

A. Lime of sulphur is a commercial article. We use it in the proportion of one gallon to ten for dormant spraying, and one gallon to forty after the foliage appears. I think probably the proportion of one to thirty-five would be better.

Q. It would not burn the foliage?

A. No.

By Mr. Thornton:

Q. Have you found good results from your system of selling in the Old Country, —you have not been held up by the middlemen in any way?

A. No. We got the best results. We sent one man right over there this year.

Q. Did you find yourselves justified in doing that?

A. Yes, we had all kinds of prices and all kinds of charges. Our man put the business right into one man's hands and he looked after it.

Q. You got good results?

A. Yes, we got fine results. For instance, there were two firms selling Nova Scotia apples on the market lately. Our man had seventy-four buyers before his stand, and the other fellow had twenty-four buyers. The man that was handling the farmer's pack could not get over 12s. 6d. a barrel for the apples he was selling. Our man was putting them out readily at 13 shillings a barrel.

Q. What did you say your apples netted you on the trees before you paid any labour on them?

A. I have not figured that out.

Q. Does your man in London handle your No. 3's?

A. Yes. There is a market in the Old Country for No. 3's. There are a large quantity of trees cultivated, and these apples are as good for culinary purposes as No. 1's, except there is a spot on the outside, caused by fungus.

Q. You do not brand No. 3's as belonging to the Co-operative Association?

A. No.

Q. Would that not be an injury to the farmers outside the Association?

A. I think it would be an injury for the farmers to raise any quantity of No. 3's, but we calculate to pack a better grade of fruit than the ordinary farmer does.

APPENDIX No. 5

It would not be an injury to the United Fruit Companies to have their No. 3's branded United Fruit Company Pack.

By Mr. Foster (Kings, N.S.):

Q. How much do the apples net you on the tree? Do the farmers as a rule sell their orchards outright?

A. No, they do not. They generally sell for so much per barrel tree run or do the packing themselves.

Q. You said a little while ago you got \$2.07 for a barrel for No. 1's. That would be after paying for the barrel and the picking and packing?

A. It costs us practically \$1 to produce a barrel of apples; that is to pay for the barrel, pick, pack and haul it to our warehouse.

By Mr. Thornton:

Q. That is the actual cost?

A. Yes, the actual cost.

Q. What does it net you?

A. If we got \$2 it would yield us \$1 net, after paying for labour.

Mr. Schaffner:

Q. Number Threes, which sold for 80 cents, cost you \$1?

A. Yes, we lost money on them.

By Mr. Thornton:

Q. You say you lost money on them?

A. Yes. For that reason I think the farmer will find it to his advantage to spray his orchards.

Q. According to your figures it would be better for the farmer if he did not pack Number Threes at all?

A. He had better not grow them.

Q. It costs you as much to pick, pack and barrel Number Threes as it does Number Ones?

A. Yes.

Q. But in this instance you only got 80 cents for your Number Threes?

A. Yes.

MR. THORNTON.—It would be far better then not to barrel Number Threes, you cannot afford it.

By Mr. Foster (Kings, N.S.):

Q. Is 80 cents the average price in the market over there, or is that simply the price this particular year?

A. The price this particular year. At the present time our Co-operative winter varieties are bringing from \$1 to \$1.50 and \$2. Take the Golden Russet, we are getting \$2 for Number Threes.

By the Chairman:

Q. \$2 profit?

A. No, \$2 net.

Q. F.o.b.?

A. Yes, f.o.b. But those are exceptional prices and Golden Russets are not grown very largely.

By Mr. Foster (Kings, N.S.):

Q. At the last meeting of the Committee, Mr. Johnson, President of the Ontario Fruit Growers' Association, when questioned by Mr. Armstrong of Lambton, said that some Ontario growers of apples are not receiving a fair return for their labour. Are the fruit growers in Nova Scotia receiving a fair return?

3-4 GEORGE V., A. 1913

A. Yes. I think we have nothing to complain of. Whenever we have good fruit we are satisfied with the results.

By the Chairman:

Q. Do you think you get a fair price in comparison with the price which the consumer pays?

A. Well, the consumer pays an enormous price compared with what we get. We often feel we would like to have some of that too.

By Mr. Thornton:

Q. Under your system the consumer gets his fruit at a reasonable price, doesn't he? That is to say, just the actual cost of picking and packing and barreling, and the charges of transportation and handling at the other end. Now, you do not think you get an extravagant price for your apples?

A. No.

Q. You do not think you get too much for them?

A. No.

Q. Well then, the consumer gets the fruit at a price as near right as can be?

A. We do not sell to the consumer. On the other side a large buyer will probably be at the auction sale, and he sells the fruit out to the retailer, who in turn, sells to the consumer.

Q. Then the apples pass through the hands of two middlemen after they leave your hands, before they reach the consumer?

A. Yes.

Q. Under your present system?

A. Yes.

Q. Then in the case of apples shipped by other people, how many middlemen are they handled by, three or four?

A. Well, it would be practically the same, only our man is on the spot looking after the sales. He sells some himself and that saves the salary of one man. What he cannot sell he puts into the auction rooms, and this fruit goes through the same channels as the other fruit of which you have spoken.

By Mr. Bowman:

Q. Has any fault been found with your packing?

A. No, we get quite a lot of compliments. Of course we are not perfect yet, and when there is a bad crop of apples it is pretty hard to live up to the scripture.

By Mr. Thornton:

Q. You do not know anything about the profits which the two middlemen make after the apples leave your hands?

A. There is no way of telling that.

Q. So you do not know whether the consumer pays too much for his apples or not?

A. I presume he does, if he pays the price that we hear he does pay.

By Mr. Bowman:

Q. Have you had any losses owing to delay in transit from your locality?

A. We have been held up considerably from want of cars to the Northwest and have lost very seriously.

By Mr. Douglas:

Q. How do you handle your apples intended for the West?

A. We put them into barrels and ship them.

Q. Have you an agent there?

A. We send a man into the West, who sells the apples direct to the trade.

Q. How did your returns from your Western sales compare with your returns from your European sales?

APPENDIX No. 5

A. The European returns from Gravensteins this year, were good, and our sales in the West were very good too. I think the Western market is the better market for us.

Q. The Gravenstein is a fall apple, is it not?

A. Yes.

By Hon. Mr. Burrell:

Q. What is your expense in laying down a barrel of apples in the Northwest.

A. \$1.24 to Winnipeg.

Q. As against what rate to England?

A. Eighty or ninety cents to England.

Mr. Schaffner:

Q. I understood Mr. Johnson to say at the last meeting that the Nova Scotia fruit grower got as cheap a freight rate to the West as his Ontario competitor did?

A. I am not posted as to that.

Q. Well, Mr. Johnson said that the Nova Scotia man got just as cheap a rate to Winnipeg as the Ontario man did.

A. \$1.24 is what it cost us.

Q. The Ontario fruit growers do not pay that?

A. No, I do not think they do.

By Mr. Douglas:

Q. Is that per hundred?

A. No, a barrel of 150 pounds.

Q. The rate is \$1.04 a hundred, say from Hamilton, Toronto, or any central point in Ontario, to Winnipeg.

A. That must be the express rate. To Edmonton it costs us \$2.04.

By Hon. Mr. Burrell:

Q. You are speaking of the rate per barrel, not per hundred pounds?

A. I am speaking of the rate per barrel. The rate to Montreal is 48 cents.

Mr. Schaffner:

Q. Tell us what you get for your apples?

A. \$2 a barrel for Ones and Twos. We sold them f.o.b. cars \$2.

By the Chairman:

Q. And what is the freight to Winnipeg?

A. \$1.24. That would be \$3.25 they would practically cost there.

Q. That is the apples are laid down in Winnipeg for \$3.25 per barrel?

A. That is to the large dealer who buys them by the carload. He in turn sells the apples to the retailer.

By Mr. Douglas:

Q. Not necessarily a large dealer, a retailer might buy by the carload.

O. Any shop-keeper has the privilege of buying by the carload.

Mr. Wilson (Wentworth):

Q. What do you pay for a box?

A. Fifteen cents.

Q. What do you pay for packing a box?

A. We calculate that it costs us ten cents. We don't know how to pack boxes and do not want to go into the box business at all.

By Mr. Foster (Kings, N.S.):

Q. What is the name of the inspector who was sent down by the Government to Nova Scotia?

3-4 GEORGE V., A. 1913

A. Mr. Carey.

Q. Did he give some instructions in box packing?

A. Yes, he has been doing good work. He has been taking a good deal of care to instruct anybody who would be willing to spare the time.

By Mr. Thornton:

Q. Do you find that there is any inquiry for boxed apples from the markets you ship to?

A. There is in the West. In the Old Country they seem to have more boxed apples than they really want.

Q. But the West is demanding boxes of apples?

A. Yes, the Western markets want the Gravensteins boxed.

By Hon. Mr. Burrell:

Q. Is it not a fact that the trade in boxes of apples is more limited, and falls to a certain higher standard of buyer.

A. That is right.

Q. The box trade in England would be more profitable, it is the choicest trade?

A. Yes, it is the choicest trade, but a limited one. It is the mass of labouring men that eat the apple sent in barrels.

Q. You can always get the price for the very choicest apples?

A. Yes. No doubt a limited quantity of choice apples will sell better in boxes.

Mr. SCHAFFNER. —I have here a statement with respect to a car of apples shipped to Boisevain, 180 miles west of Winnipeg, from Woodstock, Ontario. The Grain Growers' Company brought them in and they were sold for \$4.33 a barrel. The freight from Woodstock was \$3.25. Of these apples, 33 per cent were Spies, 25 per cent Baldwins and 25 per cent Greenings. I thought they paid too much.

Mr. WILSON (Wentworth).—Yes.

Mr. SCHAFFNER. —But after paying that they arranged themselves to sell at \$4.33 a barrel.

Mr. WILSON (Wentworth).—Most buyers insist on 70 per cent Spies.

Mr. SCHAFFNER.—This was a special arrangement of 33 per cent Spies, 25 per cent Baldwins and 20 per cent Greenings, the rest made up of various sorts; but was not that a pretty high price f.o.b. Woodstock, \$3.25?

Mr. WILSON (Wentworth).—Yes, I do not know how they got that price, I am sure.

By Mr. Foster (Kings, N.S.):

Q. Had you any competition in Winnipeg with the Ontario fruit?

A. Practically none.

Q. Practically none that year?

A. Yes, but in 1912, this year, we met apples from across the line, from Washington, they got them in there at 70 cents a box f.o.b.

Q. That would be no more than \$2.25 per barrel?

A. \$2.10, about three boxes in a barrel.

Q. In the western centres do your men sell to the trade in the smaller towns outside of Winnipeg, Calgary and other places?

A. No, just in Edmonton, Calgary, Winnipeg and the larger centres.

Q. You have not gone into the matter of building up trade in those smaller places?

A. No, I presume our apples reach there in less than car-lots.

By Hon. Mr. Burrell:

Q. What percentage of your apples goes to the Old Country and what percentage to the Northwest?

A. Eighty per cent to the Old Country and three per cent to the Northwest.

APPENDIX No. 5

By Mr. Foster (Kings, N.S.):

Q. Where was your market for the balance?

A. The home market, Sidney, Halifax, Newfoundland, New Brunswick and South Africa.

Q. Have you made much progress in the German markets yet?

A. Well, two years ago we put in over 200,000 barrels; last year we didn't do much.

Q. Was that trade satisfactory?

A. Very satisfactory.

Q. What, in your judgment, is needed in order to develop the German trade?

A. I think we want nothing but good apples, and with the duty off as it is now it is very satisfactory.

Q. How about the facilities for transportation from Halifax or St. John?

A. We are handicapped there, we have no direct service, we have to ship via London.

Q. That is a handicap. Has a representative of the Co-operative Companies ever been sent over to the German market?

A. Yes, one went over there this fall.

By Mr. Douglas:

Q. Do you not think it would pay you to cultivate the home market?

A. Sure, that is a very important market.

By Mr. Best:

Q. Would it not improve the apple industry if you insisted upon the members of the co-operative societies spraying and pruning and fertilizing their orchards, that is the way we do in my country, a man should not be a member of a co-operative society unless he agrees to do that.

A. Yes, that is a strong point, that should be emphasized, and it should be made a by-law in every co-operative company.

Q. Have you any inspectors in your company?

A. Yes, we have our own inspectors; you must remember this is only our second year in this business and all these points are being taken up and approved of. Some of these companies have by-laws providing that no person can be a member unless he sprays, and of course thinning and pruning comes in also.

By Mr. Foster (Kings, N.S.):

Q. Do you think that with so many inspectors there is uniformity of standard, particularly between the Government Inspector and the Inspector of your Company?

A. Yes, we have no complaint in that connection, the Government inspectors are doing good work for us. With regard to their standard we do not think it is quite as good or as high as that of our own inspectors.

Q. You do not think it is quite as high?

A. No.

Q. You mean that you are working under a different rule, not following closely the Fruit Marks Act?

A. We are trying to improve on it if we can.

Q. You are trying to make it better; whereas the Government Inspectors are simply fulfilling the conditions required by the Act you are giving full measure and running over?

A. When we are sorting the Gravensteins we put absolutely clean fruit for No. 1, the Government standard is 90 per cent clear of spot, worm holes or other defect.

Q. Do you hear any criticism against the Government Inspectors that they are trying to force farmers outside the co-operative societies to join those societies by means of a strict observance of the Fruit Marks Act?

3-4 GEORGE V., A. 1913

A. No, they haven't done anything of the kind; I think they have been lenient to the farmers generally.

Q. You think they have been?

A. Yes.

Q. And the farmers outside have no cause of complaint?

A. No cause whatever.

Q. In your judgment the Government Inspectors have conscientiously endeavoured to carry out the Fruit Marks Act?

A. I do, I think they are trying to do their work thoroughly and systematically.

Q. You have told us that the basis on which you are working is 100 per cent absolutely pure apples for Nos. 1 and 2; why do you grade them 1 and 2 if they are all equally good?

A. According to size, No. 1 is two and a half inches, and No. 2, two and a quarter.

By Hon. Mr. Burrell:

Q. You say you have no particular complaint to make concerning the conditions under which you are shipping to the Old Country markets?

A. No, this year there was a little reduction in time by the steamship companies, there is no complaint; for a number of years it took from 10 to 18 days but this year from 9 to 12 days. This year I think they have shortened down the time by fully three days, and the fruit arrived in splendid condition.

By Mr. Schaffner:

Q. How many days does it take going to the Old Country?

A. In other years it took from ten to eighteen days, but this year only nine to twelve days.

Q. How long does it take to Winnipeg?

A. Five to seven days last year and ten to fourteen days this year.

Q. Ten days is not unreasonable?

A. I think they should do it in five days.

Mr. SCHAFFNER.—That is about as quickly as you can go in an express.

Mr. FOSTER (Kings, N.S.).—Perhaps Mr. Schaffner did not hear that Mr. Chute said that in 1911 representatives of three different railway companies were soliciting the trade of Nova Scotia, and in that year they delivered their shipments to Winnipeg in five days; but last year the C.P.R., which controls the Dominion and Atlantic Railway, held up Mr. Chute's shipments and said to him: "If you don't ship over the C.P.R. west of Montreal we will not haul your stuff."

Mr. SCHAFFNER.—That is rather peculiar. I don't think you can express apples from Nova Scotia to Winnipeg in five days.

Mr. BURRELL.—Nine to ten days is fairly reasonable.

Mr. CHUTE.—The first year they did it in five to seven days.

Mr. Wilson (Wentworth):

Q. You pay your best men \$1.50 a day to pick apples?

A. Yes.

Q. And they board themselves out of that?

A. Yes.

Q. And you said you paid 25 cents to pick and pack? You claim you bring your apples to this point where you pack them again. Does that 25 cents include picking them off the tree and packing them ready for shipment?

A. It costs 10 cents to pick apples off the tree and put them in barrels. It probably costs five cents more to haul them from the orchard and 15 cents to roll the apples out of the barrels and sort them up, ready for shipment again. The average is only 25 cents a barrel.

APPENDIX No. 5

Mr. WILSON (Wentworth).—That is about half what it costs in Ontario. Mr. Johnson paid 45 cents a barrel and I know several people who paid 48 cents.

Mr. CHUTE.—We have brought your stock by the carload and sold it down there for 40 cents.

Mr. WILSON (Wentworth).—I know one thing, we can't get men for \$1.50 a day.

Mr. SCHAFFNER.—You are not paying your men enough.

Mr. CHUTE.—When the prices of apples goes up we will pay them better wages.

Mr. BURRELL.—We pay \$2.50 a day.

The CHAIRMAN.—\$2 a day is pretty general all through Ontario.

Mr. CHUTE.—We are fortunately situated. All around the coast are large fishing industries and in the apple season the men engaged in those industries are out of work. We can get really good men to work then for \$1.50 a day, for a month or two.

Mr. BURRELL.—You should go into the fishing industry, Mr. Wilson.

Mr. Wilson (Wentworth):

Q. What kind of apples do you grow?

A. Gravensteins, Ribstones, Blenheims, Kings, Baldwins, Spies and Ben Davis.

By the Chairman:

Q. Have you many Ben Davis?

A. A good percentage. Our company handles 30,000 out of 400,000 barrels.

Q. Where do you market these?

A. In the Old Country.

By Mr. Bowman:

Q. Is the acreage for orchards increasing rapidly in your Province?

A. Yes.

By Hon. Mr. Burrell:

Q. Have you any accurate idea of the acreage in orchards?

A. No, I have set out 220 acres myself, from which I got 8,000 barrels two years ago and 6,000 barrels this year. I set out a few acres every year.

By the Chairman:

Q. How many acres have you in bearing?

A. About 80 acres.

Q. What do you consider an average yield?

A. About 100 barrels to the acre. In my orchard an acre yields from 5 to 250 barrels, depending on the age of the trees.

Mr. Schaffner:

Q. What variety sells best in England?

A. Golden Russets bring the highest price, but they are not the most profitable. Nonpareil is a very inferior seller. It is not so good as Ben Davis.

Q. Ribstone Pippin is a good one?

A. Yes.

Q. Did you ship many apples this year to the West?

A. About 10,000 barrels.

Mr. Wilson (Wentworth):

Q. What apple brings the best price?

A. I think Kings bring the best price. We get a good price for Golden Russets but there is only a limited quantity grown.

3-4 GEORGE V., A. 1913

Q. Kings are better than Spies?

A. Yes, Kings are more popular.

Q. On account of their appearance?

A. Yes, largely on account of their nicer colour.

Q. What varieties have you that don't scab?

A. The only two varieties I know of are the Blenheim and the Mann, but scab is not a serious proposition if you spray the trees.

Mr. MACOUN (Dominion Horticulturist).—This year a large number of the apples were scabby?

A. Well, in the case of farmers who did not spray their trees a good number were scabby. As soon as a farmer catches on to the value of spraying he will get better results.

By the Chairman:

Q. What experience have you had with the Mann apple? Are they profitable?

A. I have none in my orchard at all, but the Mann variety bears young and is quite profitable.

Mr. BURRELL—It is a good apple to pack and ship.

The CHAIRMAN. —In Ontario they are poor.

By Mr. Foster (Kings, N.S.):

Q. What varieties do you ship to the United States market?

A. Gravensteins are the only ones that go there.

Q. What grade of Gravensteins?

A. No. 1's. We shipped a carload there this year.

Q. Why not more?

A. They grow apples over there.

By the Chairman:

Q. Have you ever sent many apples to the United States?

A. Hardly any. Gravensteins are practically the only ones shipped over there. They are a good eating apple and quite popular.

Q. Do you never send any Spies?

A. No, nor Baldwins.

By Mr. Elliot:

Q. Would it be possible for your company to co-operate with a man in Europe so as to sell your apples at auction, thereby doing away with the middleman, and bringing you a better price for your apples?

A. The arrangement we have made is that we engage an auctioneer to sell on the same terms as a commission agent. A commission agent will get consignments from you and then turn the consignment over to an auctioneer to sell; and the auctioneer charges 5 per cent, but he rebates back to the commission man 3 per cent of that; he practically does the work for 2 per cent. By our arrangement we get the 3 per cent instead of the commission man, that is, we are our own auctioneer.

By Hon. Mr. Burrell:

Q. Is the bulk of your stock sold in Liverpool or London?

A. London is our best market for Nova Scotia apples.

By Mr. Foster (Kings, N.S.):

Mr. Johnson gave evidence before this Committee the other day with regard to apples consigned to the Old Country, and I rather gathered from his evidence that the fruit shipped from Ontario to the Old Country did not arrive in good condition?

The CHAIRMAN.—That is from Western Ontario.

APPENDIX No. 5

By Mr. Foster (Kings, N.S.):

Q. Mr. Johnson stated in his evidence as follows: "All I know is that the apples are shipped in good condition and arrive either slack or something of that kind, and don't sell for anything like they should. I believe dealers this year are losing money in large quantities by shipping apples to the Old Country." Do you have any difficulties of that sort?

A. Yes, that is one of the troubles of the fruit growers. Some cargoes, of course, may be slack; generally speaking, we have nothing to complain of. It may be that sometimes the packages are not properly secured.

Q. Previous to your sending your own representative to England, did you have any evidence that there was collusion between the dealer and the speculator? By the dealer, I mean such men as speculators in our own country.

A. I do not think there was any collusion between them.

Q. You do not think there was any effort to set the price, an understanding in any way between them as to the price to be paid to the farmer?

A. No, I do not think so.

By Hon. Mr. Burrell:

Q. On the whole, you feel very optimistic about the future of the apple business?

A. Yes, I do. Our efforts now must be to secure thorough packing, to look after transportation, and organization.

By the Chairman:

Q. If you wish to cultivate the Western market, don't you think it would be wise for your association to have a warehouse at Winnipeg, and so handle your apples at both ends, deliver right to the retailer?

A. Yes, it would be a great advantage, and it could be worked out all right under our system.

Q. What is to prevent it?

A. Nothing in the world; we have only to make up our minds to do it.

By Mr. Douglas:

Q. Are you in as favourable a position to ship apples to the West as the Ontario farmers?

A. We cannot compete with Ontario in winter apples. They have a better freight rate and a larger barrel, too. In Gravensteins, Ontario is not there; we have practically the season to ourselves.

Q. What time are Gravensteins ready for picking?

A. By September 5; they are all off the trees by the 20th, or 25th at the latest.

Mr. Wilson (Wentworth):

Q. What does your barrel contain?

A. One hundred and thirty pounds of fruit.

By the Chairman:

Q. That is smaller than the Ontario barrel?

A. Yes.

MR. DOUGLAS.—I think you still have to pay on the same shipping weight of 165 pounds per barrel. I think there is a regulation on the railways that all apples are billed at 165 pounds to the barrel.

By Hon. Mr. Burrell:

Q. Have you very much Coddling Moth?

A. No, very little.

By Mr. Morrison:

Q. What did you say regarding the quality of the fruit that went West in 1911, your heaviest year, as compared with the general quality you are putting up this year?

A. We had complaints of our fruit that year, but this year we have nothing but good said of it. One man, who bought 25 carloads of our No. 1's and No. 2's says that our No. 2's this year are as good as our No. 1's of last year.

Q. Do you attribute that to lack of organization in 1911?

A. We were not thoroughly organized. This year, we had our inspector on the ground and everybody was willing to make a good pack.

By Mr. Foster (Kings, N.S.):

Q. You are in favour then of inspection at the point of shipment?

A. Yes, at the point of shipment.

Q. In Nova Scotia, what are the facilities for such inspection?

A. They are good. The apples are all packed at the warehouses where an inspector can see them and know what is going on. The Government have been very good that way. They have sent their men to points where we were shipping, and we knew practically what they thought of it.

By Hon. Mr. Burrell:

Q. Your conditions are peculiar; your apples practically all come from the same district?

A. Yes.

By the Chairman:

Q. Are any apples packed in the orchards?

A. No.

Q. You think the warehouse packing is preferable?

A. Yes; we have experienced men there.

Q. We have them in orchards, too?

A. Yes; but we have never done that in Nova Scotia.

By Mr. Foster (Kings, N.S.):

Q. Did you ever consider the results to be obtained from having a selling agency in the West or in the Old Country?

A. Well, that is practically the question asked me by the Chairman. It is something that we shall certainly take up.

Q. What have you to say to the question that was asked Mr. Johnson: Do you think the Dominion inspectors down there should be instructors in box packing and the like of that?

A. Well, I hardly see where they would have the time for that business if they are to do their work as inspectors. A man who inspects should know what a barrel of apples ought to be.

By Hon. Mr. Burrell:

Q. You think that is work the packers should do themselves?

A. Yes.

By Mr. Bowman:

Q. What percentage of your output last year was No. 1?

A. I have not figured out the percentage. We handled 28,000 barrels of No. 3, 6,000 barrels of No. 2 and 13,000 barrels of No. 1, all Gravensteins.

APPENDIX No. 5

By the Chairman:

Q. You had a heavy percentage of No. 3?

A. This was an exceptionally bad year; we want to get through with it and forget it as soon as we can.

Q. Why was it a bad year?

A. Owing to fungus. It was wet, there was a good deal of wet weather in July. It rained about every other day right along for about six weeks last season.

Q. If the orchards had been thoroughly sprayed you would not have had any trouble?

A. Growers that sprayed thoroughly had beautiful apples.

Q. Then the poor quality of apples was the fault of the producer?

A. Certainly. One grower had out of 700 barrels of tree run, 500 barrels of Number Ones and Twos. A great many other growers had 60 per cent of Ones, and one even 80 per cent of Ones, which is a good pack.

By Mr. Foster (Kings, N.S.):

Q. I notice the Department of Agriculture have almost doubled the number of inspectors all over the country. What is your opinion with regard to the number of inspectors?

A. I do not think they have got too many inspectors, if they are the right men. They have a big work ahead of them, because it is very important to have the apples go out O. K.

Q. As orcharding develops, it will require a correspondingly large number of inspectors?

A. No doubt it will.

Q. Is there a sufficient number of inspectors now employed?

A. I think we have a sufficient number in Nova Scotia at the present time.

Q. With regard to the system of inspection at the warehouses as against the old system of inspection at the point of shipping, say Halifax, do you think it is better than the other?

A. Yes, I think it is. But we cannot do away with the Halifax inspection. There are a lot of apples that are packed by the farmers themselves.

By Mr. Bowman:

Q. What proportion of your pack last year was rejected by the Government inspectors, or any rejected?

A. Yes, there have been some red marks. When the fruit so marked is shipped to the other side they think the barrels are specially marked.

By Mr. Armstrong (Lambton):

Q. What is done with fruit rejected?

A. It goes to the Old Country and is sold.

Mr. Wilson (Wentworth):

Q. You told us that you took barrel staves from Ontario to your district of Nova Scotia, and had them made into barrels, and they only cost you 40 cents?

A. Yes, and I brought coopers along too.

Mr. WILSON (Wentworth).—When I told that to Mr. Armstrong he did not believe my statement.

By Mr. Armstrong (Lambton):

Q. What did you pay your men in Nova Scotia?

A. We had Ontario coopers, and I paid 40 cents for the barrel after it was made up.

Q. You brought the goods from Ontario to make it up?

3-4 GEORGE V., A. 1913

A. Yes.

Q. Do you not care to say what you paid your men?

A. I did not pay them wages. I gave 40 cents for the barrel after it was made up.

Q. What kind of wood went into the barrels?

A. It was hardwood.

Q. Elm?

A. Elm, I suppose, with flat hoops.

By Mr. Armstrong (Lambton):

Q. I understand you made the statement that you could, through your Co-operative Societies in Nova Scotia, take the apples off the trees and put them in the barrel for 25 cents a barrel.

A. There is the hauling charge besides that.

By Mr. Foster (Kings, N.S.):

Q. It would amount altogether to 30 cents?

A. Probably thirty cents would cover it. It depends upon how far the man is from the railway. I can get a load an hour into the warehouse from my orchard.

By Mr. Borman:

Q. For how many years have your apple trees been planted?

A. Thirty years, and every year since.

Q. In the case of an old orchard that has not been properly taken care of, do you find any difficulty in bringing it into good bearing shape?

A. No, we find such orchards come right in.

Q. It is a very common thing to find the apple trees diseased where the orchards have not been very well taken care of.

A. It does not seem to affect the apples at all. The tree itself will probably break down and go to pieces.

Q. You said that in Nova Scotia you pick your apples for 10 cents. Would it not cost more to take the apple from trees such as I have referred to?

A. It would probably double the cost.

Q. That is the result with us in Western Ontario. Our average tree there is 45 years old, or nearly that, the cost of packing runs up very high.

A. There would be no fair comparison in a case like that, because our orchards in Nova Scotia consist mostly of young trees. With a good many of my orchards a man would have to get down on his knees to pick the fruit.

Mr. Schaffner:

Q. There are a good many orchards in Annapolis County are there not?

A. Yes.

By Mr. Armstrong (Lambton):

Q. What wages do you pay the men who are working in the orchards in Nova Scotia?

A. \$1.50.

A. And board them?

A. Yes. I should say that our way freight is only 17 cents to the steamship. We have an advantage in that way over the growers in Ontario.

By an Hon. Member:

Q. Seventeen cents a barrel?

A. Seventeen cents is the average freight rate. It runs from 10 to 18 cents.

APPENDIX No. 5

By Mr. Thornton:

Q. How many miles are you from the port of shipment?

A. It is 83 miles from Berwick to Halifax, and the greatest distance for any shipper is 120 miles.

Q. That is a reasonable freight rate?

A. Yes.

Q. Is there any railway competition between the two points?

A. There is only one railway, the C.P.R.

Mr. FOSTER (Kings, N.S.).—It used to be the Dominion Atlantic.

Mr. Wilson (Wentworth):

Q. The freight rate you gave of \$1.24 per barrel, is that for refrigerator cars or ordinary cars?

A. Ordinary cars.

Q. You do not use refrigerator cars?

A. We cannot get them when we need them.

By Mr. Thornton:

Q. What is the reason you cannot get them?

A. The railway company claims not to be able to supply them.

Q. Would the freight rate be higher if you used refrigerator cars?

A. No, they charge nothing extra for the refrigerator cars.

Mr. DOUGLAS.—They would charge for winter stock.

The WITNESS.—I daresay.

By Mr. Douglas:

Q. The chances are, the rate you have quoted would be by lake and rail to Winnipeg?

A. No, it is a straight rate.

Q. All rail?

A. Yes.

By Hon. Mr. Burrell:

Q. Are there many outside apples coming in from Ontario or other parts?

A. I do not think we are bothered much except a few come in from Ontario, but we have early in the season a good deal of American stuff.

Mr. Schaffner:

Q. What do you pay for freight?

A. \$1.24 per barrel.

Q. Then that statement by Mr. Johnson the other day that the Nova Scotian apples had a cheaper rate than Ontario is entirely wrong, because according to this letter the rate from Woodstock on this carload of apples is 97 cents per barrel.

Mr. DOUGLAS.—That is lake and rail route.

By Mr. Armstrong (Lambton):

Q. Are your barrels the same size as the Ontario barrel?

A. No.

Q. What is the difference in weight?

A. Twenty pounds.

By Mr. Thornton:

Q. You can see how it is possible for one man to pay more per barrel for freight than another; one man takes a car with 30,000 pounds capacity and bills it at that rate whereas possibly he has put 35,000 or 40,000 pounds of actual weight in the

3-4 GEORGE V., A. 1913

car and consequently he gets a lower rate per barrel than the man who ships by actual weight.

The CHAIRMAN.—The shipper is not allowed to do that.

Mr. THORNTON.—I know it is not allowed, but it is done.

Mr. DOUGLAS.—The railway company classification does not allow that, the standard weight for the barrel is 165 pounds.

By Mr. Armstrong (Lambton):

Q. Are the Nova Scotian barrels containing 20 pounds less apples placed alongside the barrels of Ontario apples in the western market and sold at the same price? Does not that give the Nova Scotian apples the advantage with the consumer who does not know the difference in the weight?

A. No, I claim that the Ontario has the advantage, but when our Gravensteins go in there there are no Ontario apples on the market.

Q. Are your Nova Scotian people willing to conform to a regulation requiring a standard barrel containing a certain quantity of fruit?

A. The fruit companies have decided now to have the Ontario barrel, that is as far as the executive committee is concerned. I do not know how the farmers will back them up when we have our annual meeting in July, but the members of the committee are in favour of adopting the Ontario size.

Q. Do you ship any other kind of apples to the West besides Gravensteins?

A. When it comes to the season when we could ship the Kings it is cold enough for refrigerator cars, and as we cannot get them we are debarred from shipping that variety.

By the Chairman:

Q. You could not ship them out West in the late fall if you wished on account of the climatic conditions?

A. No, not without refrigerator cars, we cannot even ship to the local markets in the cold weather unless we put a stove in the car and a man with it.

By Mr. Armstrong (Lambton):

Q. Would it not be better to have uniformity of size in the barrels and boxes?

A. Yes, it would.

Q. How could that be brought about?

A. The Ontario people have a large barrel, and it is a great question in Nova Scotia whether it would not be better for us to adopt that standard; the United Fruit Companies will, I think adopt the larger barrel.

By Mr. Thornton:

Q. That will account for the difference in cost of transportation largely, the difference in size between the Ontario and Nova Scotian barrel. I find now we can get an apple barrel in Ontario for 45 cents, whereas a barrel with a head three-quarters of an inch larger requires three staves more to make it, and we have to pay 15 cents more for that larger barrel, there is 15 cents difference in the price of those two barrels as a result of the difference of three-quarters of an inch in size.

A. The difference in cost would be on account of the extra material required, it does not require any more labour, it costs as much to make the smaller barrel as it does to make the larger so far as labour is concerned.

The CHAIRMAN.—It is the cost of the material for the extra three staves.

By Mr. Foster (Kings, N.S.):

Q. What is the current price for land in the Annapolis Valley?

A. Raw land is worth from \$20 to \$50 per acre, this price is for land with no trees on it.

Q. It is good land, is it?

A. Yes, good land.

APPENDIX No. 5

By Mr. Schaffner:

Q. I understand you grow apples down there on land that will not grow anything else; it is unfit for anything except orchards?

A. Yes, some land down there you could not even raise a disturbance on it, it would not grow anything else than apples, and I have orchards down there worth \$1,000 an acre for apples.

Mr. Armstrong (Lambton):

Q. What sort of soil is it?

A. Sandy, sandy loam, and of course we have clay lands also in some sections of the country. In my section it is sandy loam and it would not grow grain or anything else without a great deal of fertilizing.

Q. What other fruits do you grow?

A. Strawberries, raspberries and a few plums.

By the Chairman:

Q. Very few of those, is it not?

A. Very few, just for home use.

By Mr. Foster (Kings, N.S.):

Q. Why do they not grow peaches and small fruits like they do in Ontario?

A. Well, we have no canneries, there is a very small market down there at present but Halifax, Sidney and other centres are growing.

Q. Do you have very large quantities of inferior fruit?

A. The good grower does not.

Q. What do you do with them?

A. They take them at the vinegar factories and they make cider.

Q. You have vinegar factories down there?

A. Yes.

By Mr. Bowman:

Q. Can you tell why there is such a small percentage of your fruit shipped to the Western market?

A. Well, all I can speak for is Nova Scotia, and we never went there until the year before last.

Q. And you say your trade has been very satisfactory?

A. Yes, very satisfactory and we are looking for a great increase.

By Mr. Thornton:

Q. Do you ship any No. 3 to the West?

A. No.

Q. Do you ship any No. 2?

A. Yes, 30 per cent No. 2 and 70 per cent No. 1.

Q. Do you get satisfactory results?

A. Yes. We sold for \$1.75 last year and \$2.00 this year

By the Chairman:

Q. You would not advocate doing away with the exporting of No. 2 and just putting one class on the market?

A. No, the No. 2 is a good apple for ordinary use, as good as No. 1 only smaller in size.

By Mr. Thornton:

Q. You had no complaint about No. 2 apples from the West?

A. No, although they would sooner have all No. 1.

3-4 GEORGE V., A. 1913

Q. Do you think it would pay in the long run to try and get a uniform system of shipping nothing but No. 1 to the West and the European markets? Do you think in the long run it would pay?

A. No, I do not think you can afford to throw out No. 2; you may do without No. 3 but not without No. 2.

Q. You would bar No. 3 then?

A. Our No. 2 apple is practically as good as the No. 1 only smaller.

By Mr. Douglas:

Q. But if the trade demands No. 1 would it not pay you to satisfy the trade?

A. Certainly, if we could get the same money; in the Old Country there are only two shillings difference between the price of No. 1 and No. 2.

By Mr. Thornton:

Q. We must not overlook this fact that we are up against the situation that when we ship No. 2 apples to the Western market they go there as Ontario or Nova Scotian apples and they are put alongside and in competition with the British Columbia and Washington Territory fruit—I am speaking more particularly of Ontario apples—and when those No. 2 apples are compared with the No. 1 apples from the other competing points it must give us a bad reputation. Do you not think in the long run that, considering the future prospects of the apple trade in Nova Scotia and Ontario it would pay to ship nothing but No. 1—that is looking to the trade of the future?

A. Yes, I have no doubt that your point is well taken where they take No. 2 from Nova Scotia or Ontario and compare it with No. 1 from British Columbia or Washington the comparison is not favourable to our fruit.

Q. We have had this matter before this Committee now for five years, and I may say that every member from the West, irrespective of the locality from which he came or the party to which he belonged has said, "We want your Ontario apples, but we do not want anything but good fruit, the poor quality we do not want at any price." We have been told that in this Committee from time to time by the Western members. Now if that is the case would it not pay us to ship nothing but the very best to these markets when the cost of picking and packing, barrelling, transportation and handling is just as large on a barrel of No. 3 as it is on a barrel of No. 1? It gives us a bad reputation to be sending out this inferior fruit.

A. Yes, no doubt of it.

By Mr. Douglas:

Q. Is it not true that the Americans do not send in anything but the very best?
Mr. RUDDICK.—Two grades.

Q. Even if you do have to add a little to the price of your No. 1, I do not think it is the price that is sticking the West?

A. We can dispose of No. Two's in the Old Country, where they are appreciated. It is too expensive to send them to the West.

By Mr. Thornton:

Q. Would not that destroy your market in the Old Country? It would be very bad just to ship No. Two's there.

A. Nova Scotia is making a reputation in the Old Country this year for No. Three's. Two-thirds of the apples shipped there this year were No. Three's.

Mr. THORNTON.—From your evidence to-day we have this fact staring us in the face: would it not be better to let our inferior fruit rot on the ground rather than ship it to a market where it spoils the reputation for all Ontario or Canadian apples, as the case might be? That is what we are up against all the time. I know No.

APPENDIX No. 5

Three's were shipped from my neighbourhood this year to Saskatoon. I mentioned this before but I repeat it again as I think it is an important point, and when these No. Three's reached their destination they were not worth the freight it cost to carry them. But that is not the worst feature of it. The worst feature is that it ruins our reputation for all classes of fruit.

Mr. BOWMAN.—I differ from Mr. Thornton. If you ship No. Three's to the West and they are sealed and marked as No. Three's, I don't see how any person can be misled. If they are sold in open package I can see that it would discredit Canadian fruit.

Mr. BURRELL.—While it is sealed in closed package as far as the wholesaler is concerned, when it finally gets to the retailer it is not. He buys it as an Ontario apple.

Mr. BOWMAN.—Don't you think the Act should be amended?

Mr. BURRELL.—That's a pretty hard question. I have looked at this pretty thoroughly. You are bound to have a certain number of culls, but I think it would be a good plan to keep the No. Three's at home. I believe that we should grow no No. Three's at all, if possible, and try to live up to the No. 1 standard.

Mr. THORNTON.—That is the point I would like this Committee to emphasize. It is not in our interest as farmers, as apple growers, to pack anything but the best. If we could educate the growers up to that point where they would ship nothing but the very best, then we should establish a reputation for our fruit which would be an immense money-maker for us for years to come. But we are doing the very opposite to-day and it is ruining our apple trade.

Mr. FOSTER (Kings, N.S.).—I am very glad that Mr. Chute is here and that Mr. Thornton has expressed his ideas for improving the fruit industry. I entirely agree with him, but you must remember that in Nova Scotia we have not got the apple industry down to a science. Co-operation is only in its infancy. We only started two years ago. The very first year we undertook co-operation we encountered a season where the growth of fungus was such that our apples were mostly No. Three's, and so on with our hard fruit. The big number of Three's that we had that year was not entirely due to fungus alone, but combined with that was the fact that the farmers had had a very prosperous season the year before and had neglected to spray in that particular season. These two things together produced a crop of No. Three's.

The first year the co-operative society was in existence I warned those farmers that to go on raising these No. Three's would be suicidal from a business standpoint. Eventually the farmers will come to see that themselves. I claim that one of the strongest factors which will assist the farmer in coming to the conclusion is that the Agricultural Department this year has decided to establish demonstration orchard work in that very self-same country, which will be of immense advantage and interest to the farmers themselves both financially and otherwise, and indirectly will affect you people in Ontario and other sections of Canada; because it will give you a better class of article to produce in competition with our own. I do not think that blame should be placed on the co-operative companies or on those farmers this year.

Mr. THORNTON.—I agree with Mr. Foster entirely. My remarks were not intended to reflect on the co-operative companies. I think we have learned something of importance to apple growers here and in all Canada, because of the results they have achieved in Nova Scotia. I think the co-operative system is perfectly proper and I am glad it has achieved such good results. But I only wished to emphasize that the work of this Committee, as coming from the best authority in Canada, should be educative along these lines, and the growers and farmers should be educated to put nothing on the market but the best. The net result in the end will be more money to the farmer.

By Mr. Armstrong (Lambton):

Q. The apples you ship to the West are largely of the Fall variety?

A. Practically all.

Mr. BURELL.—I am glad Mr. Chute is here, representing one of our Maritime Provinces which are doing such good work.

Mr. SCHAEFFNER.—I have known Mr. Chute a long time. He has been of great assistance to the farmers and orchardists throughout Nova Scotia and the suggestions we have heard from him to-day will be reflected all over the Dominion of Canada. I have a great deal of pleasure in moving a sincere vote of thanks to Mr. Chute for his talk.

Mr. THORNTON.—I have very great pleasure in seconding that resolution. I think the discussion we have had to-day will lead to immense good to the apple growing industry and will be of great benefit to the producer and consumer.

Committee adjourned.

APPENDIX No. 5

HOUSE OF COMMONS,

COMMITTEE ROOM No. 105,

TUESDAY, February 25, 1913.

The Select Standing Committee on Agriculture and Colonization met here at 11 o'clock, the Chairman, Mr. Sexsmith, presiding.

The CHAIRMAN.—The time has arrived for us to commence our meeting. We have with us this morning Mr. W. S. Foggo, of the British Columbia Fruit Growers' Association. No doubt he will be in a position to give you valuable information in connection with the fruit industry in the West. I will now call upon Mr. Foggo to address you.

Mr. Foggo.—Mr. Chairman and gentlemen: As representing the fruit growers of British Columbia, and as representing the British Columbia Fruit Growers' Association, I want, in the first place, to thank you for inviting a representative of this industry here. We take it that this invitation is a sign of very real interest on the part of the Federal authorities in the industry in British Columbia, and we take it also that it is an augury that something practical is going to be done to relieve a situation that bears too heavily on the British Columbia fruit grower, and looks like becoming, if something is not done, a situation that will be impossible. Gentlemen, we have in our Province in this industry at the present time all the elements of a crisis. Some of us are doing the best we can to prevent the fusion of these elements, but unless we get substantial outside help, unless we get assistance, British Columbia fruit growing is in a very parlous state. I want to go over our conditions in the broadest way, in the most general way I can, and I am sure that if I can be half as convincing as the necessity of our case admits, you, gentlemen, will be convinced of the necessity of doing something for us.

Fruit growing in British Columbia eight years ago was practically non-existent; it was a small thing of no real importance, and not on a business basis. The great bulk of the planting of orchards that took place in the province began eight years ago, and has been continued to a very considerable extent ever since. The laying out of these orchards and the investment of money by outside people who came into the province was the result of direct representations made to proposing settlers and to the public generally by the government of British Columbia and by the government of Canada. These representations were sent broadcast to the public, and, on the whole, matters were presented fairly and there was not undue exaggeration. What the provincial government said, and what the Dominion government officially approved of was this: if people came into the province—my province now—and embarked on the industry of fruit growing and invested their capital there, the climatic and soil conditions were such as tended to the establishment of a fruit growing industry of the best sort; and the government said to these settlers: 'Come into the province and invest your money. You can grow fruit of the quantity and quality that is required, and you will have markets for that fruit. There are already markets, and there will continue to be markets at your own door that will absorb your entire output.' Now, gentlemen, the industry in British Columbia, and the planting in that province, would never have been begun and would really never have grown to the extent that it has had it not been for the representation contained in these pamphlets and bulletins. To give you some figures, if I may, as to the rate at which the industry has grown in respect of production within recent years, I might say that at present from a conservative estimate there has been invested in British Columbia—that is laid down in

3-4 GEORGE V., A. 1913

actual planting and improving the land and settlement by the people—certainly over \$30,000,000. The industry, owing to the fact that the planting has all been done within comparatively recent years, is at present only in its infancy; we are only now beginning to produce. The people have, up to date, been living on incomes from other sources, or they have had to spend their capital in getting along until such time as their orchards would produce and they would get some return on their capital investment, and some possibility of continuing in the industry in which they had engaged. On that point, I want to say it has been a real hard struggle in those cases, because those people who settled there anticipated from the information that was given them that there would be some return from their orchards somewhat earlier than has taken place. So that as most of us have had to cut things pretty fine, and to tide over an additional two years, it became pretty difficult. It has been a hard struggle, gentlemen. If we don't get returns at this late day, then our state is going to be parlous; it will be impossible for the fruit growers to hold on. We arrived this year, really for the first time, at the point where we have had some return as to crop—some return as to produce—some bulk to dispose of, and I want to give you figures showing what that crop has been and how it has increased, so that you may see for yourselves how little we have had in the past, what we expect in the future, and what this industry, properly handled and properly protected is going to grow to. I can speak with absolute exactness as to figures. Let me give, in the first place, the figures connected with the business of the Okanagan Fruit Union, a co-operative association, of which I happen to be a director. And I would like you to seriously consider the figures. First I will tell you what was the proportion of the whole crop grown in that valley and the then total from the whole Province so that you may arrive at what the bulk of the crop that we have at present is and what we expect to have in the future:

The Union's shipments in 1909 were 76 cars, the value of which was \$57,000; in 1910 we shipped 176 cars of which the value was \$118,000; in 1911, a comparatively short crop, we shipped 120 cars, the value of which was \$75,000; in 1912 we have already shipped 310 cars, this particular Association, and we have still to ship a small balance, so that the last season we will have shipped at the finish 335 cars. The value of the 310 cars has been only \$153,000. I want to impress this point upon you gentlemen, that had these 310 cars returned to us an amount based on the preceding years we would instead of \$153,000, have received \$208,000 to \$210,000. The prices this year, gentlemen, as you see from this have been very bad for us.

Q. Is that for apples only?

A. No, all kinds of fruit.

B. Hon. Mr. Burrell:

Q. What would that work out at for the Okanagan Valley on that basis?

A. This is Union shipments. The Union shipped out of the Okanagan Valley about one third of the whole. This year I think the shipments of the Okanagan Valley of all fruits have been around 800 cars.

Q. You do not know what proportion that would bear to the rest of the Province?

A. The Okanagan Valley of course is the district that ships most of the stuff just now because we are, as I said, at about our 8th year; in some cases in the tenth year, there are a few old orchards though they do not amount to very much there at present, and that is where the bulk of the fruit is coming from to-day.

Mr. R. M. WINSLOW (Provincial Horticulturist, British Columbia).—I think there were about a thousand cars shipped from the Province this year.

Mr. Focco.—Now, gentlemen, that is what we have shipped up to date. You see how it has grown; you see the rate at which our product is going to increase. We are dealing now only with a very small area of producing land of the planted area. From

APPENDIX No. 5

the area planted already it is estimated on a most conservative basis that in 1915 we will have 2,500 cars to ship and by 1920 we will have 10,000 cars to ship.

Mr. WINSLOW.—As against 800 cars now.

Mr. FOGGO.—As against about 800 now. Now gentlemen, our trouble is this that the market to which we looked to handle our stuff, at prices which we understood would be fair for the commodity we had to offer, has been swamped by American consigned goods. I have told you what we have shipped and what we estimate we will have to ship in the future and I want you to compare with some care the figures I am going to give you and these are the figures that we had from the other side of the line, and the estimate of what in the near future they are going to produce. I ask you to consider if we are in a bad state just now what our state is going to be when their area is producing to the full extent. What I have said regarding the increase in production in years to come in British Columbia applies with much greater force to the estimated increase, with absolute certainty, regarding the rate of increase from the States of Oregon, Washington, Montana and Idaho. According to the figures we have been able to get—figures collected with great care, figures published on the other side in the different States, figures kept by us obtained through the Provincial Government officials and accepted by people of consequence and position in the fruit growing industry on the other side of the line—there is at present planted in these States 285,000 acres of fruit. Gentlemen, in that huge area there is to-day out of that vast acreage—18,000 acres producing fruit. With 18,000 acres producing to-day they are swamping our markets, and in the near future they are going to have 285,000 acres producing. It is estimated that this year, I understand these are the correct figures, 1912, they have handled 15,000 cars; by 1915 they will have 50,000 cars and looking forward to 1920 they will then have 100,000 cars a year. Gentlemen, the States of Idaho, Montana, Washington and Oregon lie in exactly the same horticultural area as the British Columbia fruit growing district. The only markets that British Columbia fruit growers have, (they are restricted as to markets) are the Prairie Provinces; they have not an open market across the line and they have not (or they have to a certain extent only in which they are handicapped very seriously and materially,) a market in the old country; we are handicapped by the freight rates, the time it takes to send our fruit across and all that sort of thing.

Now, gentlemen, I want to impress this view upon you: if to-day our markets are glutted with American fruit when they have only 18,000 acres producing I ask you to think what the state of these markets is going to be when our product has increased on the lines I have pointed out to you, and when on the other side of the line instead of 18,000 acres they are going to have 285,000 acres producing fruit?

Gentlemen, we put our fruit upon the market in conformity with, as we are bound to, the Fruit Marks Act. I want to say something to you with regard to that Act. I understand that the Fruit Marks Act was originally passed to raise the standard of export fruit from Canada and to protect the buyer, the consignee in the outside market. The Act, in its application and administration, has been perverted from its original intention and is now in operation against Canadian growers in the home market: that is, we have got to pack in conformity with that Act and abide by the conditions. Now that bears unduly hard, unfairly and unjustly on the British Columbia packer because his opponent, his chief opponent, the American fruit growers, the only opponent that we are really entitled to complain against—and it is an opponent, not a competitor, as I will explain later—is not bound to pack in accordance with, and does not come under the Canadian Act, his stuff is not regulated by the Act under which we work. According to the Act there are two grades, Number One and Number Two. We pack in boxes and we have to pack the grade and stamp the boxes in conformity with that Act. We have to stamp our fruit Number One grade and Number Two grade, and we are not allowed to put anything else on the box.

The American grower does not pack under any Act of Parliament; he packs in accordance with the regulations of the ruling Association in the particular district in which he produces. In the North Western States the growers style their pack "Extra Fancy," "Fancy" or "Choice." The growers in these States, for the most part, in fact almost entirely, dispose of their "Extra Fancy" and "Fancy" grades in their own markets, and endeavour to keep off their own markets their second grade stuff, which they call "Choice." I think it is quite obvious why they should do so. If they can keep their second grade stuff off their own markets they maintain the standard of prices of the best grades. If, however, the second grade fruit were thrown on their own markets it would lower and restrict the sale of the better class of fruit. Under such circumstances what do these United States growers do? They ship their second grade fruit into our prairie provinces. They are prepared to, and often do, ship that stuff in at prices that barely pay the freight and duty. To-day, so far as I have been able to gather, they supply the prairie provinces with more than half of the fruit that is absorbed by these markets. I have not got the exact figures, it is impossible to get them at the present time, but of the general accuracy of that statement I am quite certain. Now, gentlemen, the United States growers put that second grade stuff into the markets of the Canadian West in the first place to keep that fruit off their own markets. In the second place, as it is surplus stuff they are prepared to take a very low price for it. In this connection I ask you to remember that they are in the same horticultural area as to fruit growing that we are; and as they are our opponents in our markets we never do get, as the fruit growing States of the American Union get, and as other provinces of Canada get, into the market when there is a short crop in our opponents' district, and when we have a better crop, which, by a process of compensation, would average and bring up the prices of our fruit. Because when we have a big crop our opponents have a big crop; when we have a short crop they have probably a short crop also. But at any rate they have the bulk of crop, they have a bigger crop, and they are using our markets to dispose of their second grade stuff and they are hitting us worse when they have the bigger crop. The result is this: in a market where there is no absolute demand, and no great demand for a particular quality of fruit, or a better quality of fruit, the average price is governed by the bulk of stuff in the market. Now, the American who rules this market, and who rules it with the second grade stuff, sets the price, the slaughter price, and we have to dispose of our fruit at that price. We have to dispose of our Number One's at that price and our Number Two's at a considerable reduction. There is no competition, we do not meet fair competition. We are never asked to compete; we have just simply to meet the conditions which are due to the admission into our markets of this surplus stuff from the other side, and we never can get into the market when our opponents have a short crop and we have a big crop, so that we may average up our prices.

By Mr. Robb:

Q. Before you get away from that, do we understand that oftentimes the American grower gets a higher price in his own market than he sells his fruit for in Canada?

A. As I have already stated, sir, the United States grower for the most part sends his second grade stuff into our markets and keeps it off his own market. Of course he gets a better price for his extra fancy and fancy fruit which he retains in his own market than he gets for the second grade stuff, the choice stuff, which he puts into the prairie provinces. When he has a surplus and when he is dumping this stuff into our markets, he is selling in these markets not at a less price than he could get at home for the same stuff, because he does not sell it there. It is surplus stuff and he has got to get clear of it, and is prepared to get clear of it at slaughter prices, because this stuff is all racked and must be disposed of.

APPENDIX No. 5

By Mr. Webster:

Q. Does he compete in your market with extra fancy, fancy and higher grade stuff?

A. To a certain amount he does, but not to any great extent in the prairie markets. There is a certain percentage of fancy fruit going into the markets of Vancouver and Victoria.

By Mr. Thornton:

Q. Is their choice fruit of the same quality as you: Number Two?

A. No, it is better than our Number Two.

Q. Better in quality?

A. We have really three grades under our statute, though up to date, owing to not having the bulk of stuff to handle that they do it would be very difficult for us to pack 'Fancy' fruit. As I have already stated, the United States growers have 'Extra Fancy,' 'Fancy,' and 'Choice.' Our Number One is better than their Choice, and our Number Two is below their Choice. The growers on the other side have a big amount of stuff, and their fruit having on the whole a better colour than ours, they can put up and handle the 'Extra Fancy' and 'Fancy'; these grades form really the bulk of their crop. In British Columbia we have a smaller producing area and a smaller bulk of stuff to handle, and naturally do not pack except very occasionally the finest grade. We pack Number One's and Number Two's and our Number 1 is better than their 'Choice.' It is better than their 'Choice' but we compare them with 'Choice' because although their 'Choice' is below the standard of our Number 1 it sets the price inasmuch as they have the bulk of the stuff in that market and consequently that grade sets the price of that commodity and we have to set for our Number 1 the same price as they take for their 'Choice.' Our Number 2 which is practically—I believe I am not exaggerating when I state it is quite as good an apple as their 'Choice', is inferior in respect to colour only and for that we have to take a less price than they get for their 'Choice.'

By Mr. Robb:

Q. What is the difference in value between their 'Fancy', 'Extra Fancy' and 'Choice'?

A. I take it as a general rule it is a case of dropping from 15 to 20 cents for each grade.

Q. Per box or barrel?

A. Box—it is box always with us—we do not talk of barrels.

By Mr. Thornton:

Q. Well then the great bulk of their shipments to the Prairies Provinces is 'Choice'?

A. Yes.

Q. And you have to meet that with your No. 1?

A. Yes, because there is no demand for better quality than 'Choice'. We have to let our No. 1, which is of better quality than 'Choice', go at 'Choice' price, and we have to take less than 'Choice' price for our No. 2, the difference as a general rule being 15 to 20 cents. This particular year in many cases the return to the grower did not pay his packing charges, freight and duty; sometimes it does not pay the packing charges: that particularly applies to peaches, plums and fruits of that kind. I can give you instances where peaches sold in the Northwest at 30 cents, consigned peaches, the freight and duty on which amounted to 45 cents; yet they were sold at 30 cents.

By Hon. Mr. Burrell:

Q. Where was that?

3-4 GEORGE V., A. 1913

A. It was in Winnipeg, I think, that lot was sold; it was reported to us by the Union and was also reported by the Market Commissioner, in fact that item I think was included in his report which has just been printed.

By Mr. Bowman:

Q. Do you happen to know what those peaches would be worth in Minneapolis if sold there?

A. I am sure I could not tell you.

By Hon. Mr. Burrell:

Q. There was a very heavy surplus of peaches in the west this year?

A. Yes.

By Mr. Thornton:

Q. Can you tell us about what 'Choice' sold for per box?

A. Well, the returns of prices, I should think that the average price—of course the returns have not come in yet to any great extent, although I have a lot of figures that have been sent to us by packing establishments on the other side, they are put down in a general way and they deal with the prices of all varieties—I should think that the wholesale average price of the American stuff would be about 60 cents, then you have to add the duty of 13 cents to that, and our average on all grades has been I should say this year between 80 and 90 cents.

Q. F. o. b. at your own shipping point? Is that the average of the Okanagan Co-operative Association for No. 1 and No. 2?

A. Yes.

By Mr. Douglas:

Q. Have not you got a big profit at that rate on each box which goes into the Territories and is sold to the dealer at \$1.50. The freight on a box of apples from Vernon to Edmonton is 38 cents—

A. 42 cents, isn't it, sir?

Q. No, 38 cents.

A. I am not familiar with the figures because they do not come up every day for consideration.

Q. On the other hand does not that resolve itself down to the great question of business; you have a certain article of fruit at Kelowna, and you know you have a market in the Prairie Provinces. Your Co-operative Union can extend its ramifications by having a dealer or agent who can sell that stuff, even if you have to establish depots for the sale of it in Calgary and Edmonton, you could get a good price, because the consumer is paying just as high for his apples this year as he has in any year?

A. That is not my information; speaking generally I think the price of soft fruits during the glutted market to the consumer in the Northwest has been materially reduced this year.

Q. That is not my own experience as to apples, it has not been materially reduced. Apples are retailed around \$2.00, \$2.25 per box for good stuff.

A. I wanted to say something more to you, gentlemen, about the marking of boxes and the inspection of American stuff that comes into our markets. With regard to the marking of boxes under the Act we have to mark our boxes 'No. 1' or 'No. 2' and we do not put another mark on it. The American competitor ships into our markets boxes branded in identically the same way as he disposes of or distributes them in his own market. That is, he marks his fruit, 'Extra Fancy', 'Fancy' or 'Choice'; we mark our fruit, as I said before, 'No. 1' or 'No. 2'. The American stuff is sent into our market in boxes branded on the other side with the Association's or Packer's brand, it is marked in large print and has stamped on it whatever

APPENDIX No. 5

the variety is. It is a big brand that occupies the full area of the end of the box. We put on our boxes the name of the Association or Packer and the variety with the figure '1' or '2', according to the grade. The American grade marks appeal to the buying public.

Q. Do you mean that you are discriminated against in the matter of marking?

A. We are, and we suffer because we have to mark our boxes in accordance with the Act. The American box when it comes in may be inspected and as a general rule it is now marked 'No. 2', but that mark is put on the other end of the box, the blank end of the box, a small 'No. 2' is stamped on it with a rubber stamp, but the original branding, the original marking in large characters, remains on the other end of the box as it was before inspection, there is no erasure of those marks, so that when the stuff comes to the retailer or to the consumer it appears, on the face of it, to be 'Extra Fancy,' 'Fancy' or 'Choice.' No one thinks of looking for the small 'No. 2' on the back of the box, whereas our own stuff bears on the face of it no other mark than the brand 'No. 1' or 'No. 2', consequently we suffer from that discrimination.

By Mr. Douglas:

Q. You are prevented from putting any other brand on your boxes?

A. Certainly, we have to mark the figure 'No. 1' or 'No. 2', we cannot put on the front of our boxes 'Choice' or 'Fancy'. In point of fact, sir, were the British Columbia shipper to follow the same lines that the American shipper does in putting the stuff on the Northwest markets, he would be put out of business within one year under a deluge of prosecutions.

Q. By the officers of the department?

A. Certainly.

Hon. Mr. BURRELL.—The Act has been amended, but there is a good deal of truth in what Mr. Foggo says. What he stated in the first place is absolutely right. When the law was first passed it was not so much perhaps for the protection of men like Mr. Foggo personally, but with the idea of seeing that Canadian fruit going into foreign markets should be up to certain grades. Apparently that was the only object in the minds of the government of that day, because American competition then in our own country was not very fierce. What we have done this year has been to strengthen our home inspection system so that Number Two grade of fruit should not masquerade as Number One. I think Mr. Foggo will admit that we have also tried to strengthen the whole fruit inspection system as against unfair competition from without, and we have tried to ensure that the grades of foreign fruit entering Canada should be at all events somewhere near those prescribed by the law. Now perhaps we ought to move somewhat further. This year an extraordinary condition of affairs occurred. A wholesale man from Winnipeg, and another man from a Western point, were visiting me the other day, and both pointed out the condition to which Mr. Foggo has drawn attention. They are both handling as much Canadian fruit as they can, and one of the two cited an instance where an American firm came to him to handle 37 cars. He did not want to take the fruit but the American firm said to him: 'You had better handle it because it will get into your market any way.' At Saskatoon, Moosejaw and other points in the Canadian West there were from ten to fifteen and even more cars of American fruit put in a single day to take their chances on the open market because the market on the other side was more or less quiet. That produced an extraordinary condition of affairs.

Mr. Foggo.—Gentlemen, I was just coming to the point about which Mr. Burrell has spoken. In the Northwest the bulk of the fruit is handled by jobbers. Under the present conditions that is almost a necessity. Those jobbers are very strongly organized and occupy a very strong position. The day may come when the Canadian grower efficiently organized and moving only on co-operative lines, may dispense with, or endeavour to dispense with, the middleman or jobber, but at present, so far as I

3-4 GEORGE V., A. 1913

see myself, that is unnecessary and an impossibility. In this opinion I concur with our market commissioners. Let me say, however, that as I am personally advised, these jobbers have done fairly decently by the British Columbia fruit grower. The jobbers are certainly in a position to squeeze the fruit grower if they want to, but I do not think they have done so. The demoralized condition of the market has been brought about not altogether by the jobber himself, but by the system and the methods under which the American stuff has come into our market. You cannot go to any buyer of fruit under present conditions and make a sale with him before he wants the stuff; it would not be safe for him to do so. In the prairies the combine, or ring, or whatever you choose to call it for the sake of description, would prefer, if it could, to place its orders and fix the business before it came to handle the stuff, and furthermore would prefer to handle Canadian stuff alone. But, gentlemen, the jobbers could not do that and remain in business for this reason: Suppose they come to me and buy ten, twenty or fifty cars of fruit at fixed prices for delivery on a certain date. Now, when any one of those cars came on to their tracks, they might have, right on those very same tracks, double that amount of fruit consigned from the other side. If those particular jobbers did not handle it other persons would, and would handle it for immediate profit and throw it on the market. Now, no concern could go ahead and buy fruit beforehand when such conditions prevail. The jobber cannot even wire to me to ship a car at a certain fixed price, because before that car could enter his warehouse he may have other cars of exactly the same variety dumped into that warehouse on consignment, and he may have to sell it, and may have to sell, because of the glutted market, at less than he had undertaken to take my car for. That is the condition of affairs, and it has tended to make the position of the jobbers almost impregnable because they are well organized and they know that they can always get all the fruit they want, and when there is more fruit than they want, it is just a question of distributing that fruit at whatever prices they can get.

By Hon. Mr. Burrell.

Q. What do you know about this jobbing system?

A. All I know about it is this: I understand that these concerns in the different cities all stand on their own feet, they are all organized as separate entities, but the stockholders in the one are probably stockholders in the other, and the management, to a certain extent at all events, is controlled from the headquarters.

By Mr. Schaffner:

Q. You are now speaking about the system of jobbing in the American cities?

A. No, sir, I am talking about the Canadian jobbers who handle this fruit in the Northwest provinces.

By Mr. Douglas:

Q. Are there not different firms in Vancouver?

A. There may be, but that is only one city. In the Northwest this ring is well organized and is working together in a general way and covering the whole country.

Q. What struck me as very peculiar is that I was in Vancouver this year and saw no British Columbia fruit shown by the wholesale houses. It was altogether Walla Walla or Washington fruit.

A. I am not, perhaps, as familiar as I should be with all the conditions in British Columbia, but my understanding as to that is that there is a certain wave, a certain movement in Vancouver just now, that is going to be beneficial to the Canadian producer. But the man who has been handling the fruit, the jobber or the retailer, has to a certain extent been influenced by the fact that he could get his supply of fruit quicker, readier, and without having to make provision beforehand from the American than from the Canadian market, because they assemble a certain quantity of

APPENDIX No. 5

stuff in Seattle. All that a man has to do is to go around the streets, find out what the prices are, send a wire to Seattle, and he can get his stuff in quicker and at probably less price. The conditions are such that a man is almost afraid to place an order beforehand for British Columbia fruit because his competitor in business may bring in a bunch of stuff from the other side before he can get his delivered to him, and so depress the market by the time it arrives that the price at which he bought it will not allow him room to get out.

By Hon. Mr. Burrell:

Q. Has not the consignment of fruit this year increased tremendously over that of any previous year?

A. That is absolutely certain, there is no doubt about that. Of course it is mainly accounted for by the fact that there has been a very great crop in the north-western States. I have not seen the figures, our market commissioner's report is not yet published, at least I have not seen it, as to the number of consigned cars that have come into our market, but from time to time during the season we are getting all sorts of information, and I have heard it said that it was not unusual for from 30 to 40 consigned cars to be rolling in on any day; that is from 30 to 40 consigned cars were on the tracks on one day, and that certain points it was reported to the Association with which I am connected there were 78 cars on the tracks—I think it was Calgary, my memory is not very good on that point—but at that particular point there were 78 cars on the track on one day. Of that number five, I think it was, contained British Columbia fruit, and all the rest of the cars contained consigned fruit from the other side of the line.

By Mr. Thoburn:

Q. It is marked as American fruit, is it?

A. It bears the stamp of the packing house, it does not say exactly that it is American fruit, but it bears the stamp of the Association that packed it, as a general rule, of the shipping agent.

Q. When you speak about 'consigned fruit,' do you mean fruit sent from the United States into Canada without paying duty?

A. Oh no, sent in on commission.

Hon. Mr. BURRELL.—Not ordered by the Canadian dealer, but simply sent in to be sold on commission by the dealer?

By Mr. Thoburn:

Q. Sent in without paying the duty?

A. No, no, sent in without being ordered. There is a duty on American apples coming into this country of 13 cents a box, but the duty we would have to pay were we going to export our stuff into the American market would be 25 cents a box. I would ask the gentlemen of this Committee to mark that fact.

Q. Would it not be better to change that to ad valorem duty?

A. I would rather you would change the figures, give the American fruit a turn at 25 cents a box and let us have the 13 cent a box rate—but we have no surplus crop to send into their market. In the future, of course, we will have a great deal heavier crop than we have now. When we are producing to the full extent of our fruit area, as I have estimated it, we will be producing more than the markets in the Prairie provinces, even with the tremendous growth which they may expect, will be able to absorb, so far as we can see at present.

By Mr. Schaffner:

Q. How about the comparative cost of production in British Columbia and in the States you have referred to?

3-4 GEORGE V., A. 1913

A. Our cost of production is, of course, very much higher than what it costs to produce the American stuff. We pay much higher for our labour than our American competitor does.

By Hon. Mr. Burrell:

Q. What do you reckon to be the difference in cost of production?

A. The difference in the cost of production of apples is, roughly speaking, per box, met by the duty.

By Mr. Schaffner:

Q. The cost of labour across the line would not be very much lower than it is with you?

A. Oh, yes, it is.

Q. In the Western States?

A. Oh yes, there is no labour in that part of the continent at all that is as high as the labour in British Columbia.

By Mr. Douglas:

Q. What is the comparative value of land in the United States and British Columbia?

A. I could not tell you. But owing to this year's crop the value of land in the United States, in districts like Washington, has dropped very considerably because the return to the grower has been in many cases so small that they are really in a bad way over there as well as we are in British Columbia.

Q. What is land worth in British Columbia?

A. It depends upon the age of the orchard, the locality, district, &c.

Q. Take your very best land?

A. Planted or unplanted?

Q. Take planted?

A. Well, I will give you a figure that I know of recently, and this is supposed to be a cheap sale: It was an eight year old orchard of ten acres and sold at \$1000 an acre. Now two years ago, not immediately joining but near it, an orchard sold at \$950. It depends upon the locality and district.

Q. What would they ask for land without fruit trees on it?

A. It depends upon the irrigation system and so on, say from \$250 up to \$500.

Q. Do you not think that is very high for land of that kind?

A. Don't I think it exorbitant?

Q. Yes?

A. Well, if you ask my opinion, I think the price of land has always been too high in the Northwest, but it was not too high according to the figures published and given to the public as to the return that could be obtained from it, the prices, &c.

Q. What were the returns that were published?

A. Well, two years ago our average return to the box was somewhere in the vicinity of \$1.35 to \$1.50. Our average this year will be under \$1, and with regard to peaches and plums and stuff of that sort in many cases there was no return at all that will meet the cost of spraying the trees or pay for the picking and packing. That is the direct result of the slaughtering of our markets by the Americans.

By the Chairman:

Q. What does it cost to pick and pack a box of apples?

A. We separate them, the charge for packing a box by the Fruit Union is 34 cents.

Q. For packing alone?

A. That is packing and handling, and materials.

Q. And picking?

APPENDIX No. 5

A. Oh no, the grower does his own picking.

Q. That includes the cost of the box and the material, &c.

A. Yes, the material, paper, nails and handling.

Q. What does the box cost?

A. Fifteen cents.

Mr. WINSLOW.—That is, knocked down?

Mr. FOGGO.—Knocked down.

By Mr. Douglas:

Q. What is it made up?

A. It depends on the bulk you are handling, from $\frac{1}{3}$ of a cent to 2 cents more.

By the Chairman:

Q. Have you not a co-operative system there?

A. I am a member of a co-operative association.

Q. And you sell through that co-operative association?

A. The Co-operative Association packs and sells the fruit.

Q. Do they market it?

A. They market it but they do not sell direct to the consumer.

Q. That is the point. Don't you think it would be better if the Co-operative Association could deal directly with the consumer and handle the business at both ends?

A. I have already said that under present conditions I do not see how it would be possible to get the bulk of the crop direct to the consumer. Under present conditions it does not appear possible to cut out the middleman. There is no commercial business that I know of that is distributing stuff in such a way that it can get it direct to the consumer. It might be that were we organized in an absolutely perfect way, with cold storage and other facilities in the different markets, we might be able to come approximately near to what you suggest. In the meantime we cannot.

Q. Have you not cold storage at present?

A. We have no real cold storage system at present; we are making arrangements for providing cold storage to a certain extent. I may tell you that cold storage is going to tend to the betterment to a certain extent of existing conditions, but it is not going to advance us one step towards a true solution, or towards a real remedy, of the difficulties under which we suffer.

Q. If your Co-operative Association had a man, say in Winnipeg, and you were to ship the apples to him he could market them to the best advantage, and if necessary put them in cold storage.

A. But you see under present conditions there is the consigned stuff coming in. That has to be taken away and distributed at whatever it will return. If we were going to handle our stuff separate from that, or separate from the people who are handling that stuff, I am certain we would lose, and we would be worse off. We would lose the benefit of this jobbers' organization. If we had to distribute the stuff ourselves we would be meeting a stronger body than ourselves who, instead of drawing on us and taking and distributing the whole of our fruit as they do now, would simply fill in with more American stuff, which they would sell at whatever price they could get for it.

By Mr. Douglas:

Q. Has that demoralized the condition of affairs obtained in previous years?

A. To a certain extent.

Q. But not to the same extent?

A. No. As I have already told you, our crop in previous years was not a great one. On the other side, the conditions being the same, they have never until this year had a very big surplus crop to dispose of.

3-4 GEORGE V., A. 1913

Q. That condition may not occur again.

A. I have given you the figures as to acreage and production and I am as certain as I stand here, that we will have the same situation arising in the future. The United States fruit growers are not going to have a less production than they have now, and they are always going, unless we prevent them, to dump their second grade stuff or surplus into our markets.

Q. Are you speaking of apples?

A. All varieties.

Q. But particularly apples?

A. Yes.

Q. What the United States growers call their Choice fruit is a good fruit?

A. I admit that. I am not suggesting for a moment that the fruit is not good. But it is not up to our Number One, and being shot into our market in the way it is, the United States growers are able to set the price.

Q. As their Choice fruit is individually wrapped it is slightly better than your British Columbia Number One's in many instances.

A. All our fruit is wrapped. I do not know any fruit, marked Number One, going out of the Okanagan Valley, that is not wrapped.

Q. Would that apply to previous years?

A. I think so. Of course when you come down to cookers and fruit like that you don't wrap them.

By Mr. Schaffner:

Q. Did you state how many boxes were grown in British Columbia last year?

A. I told you the figures for the Okanagan Valley.

Hon. Mr. BURRELL.—About 1,000 cars of fruit.

By Mr. Schaffner:

Q. How many boxes of apples?

A. About 450,000 boxes.

Mr. WINSLOW.—1,000 car-loads was our total fruit crop. About 755 cars were apples, or about 470,000 boxes.

By the Chairman:

Q. What percentage of the apple orchards would be giving a full crop now, would there be five per cent?

A. No, nothing like it. Speaking generally, not one half of them have begun to produce, and the average age of those producing is not nine years yet.

Q. What is your acreage of apple orchards in the province of British Columbia, that is, planted?

Mr. WINSLOW.—Pretty close on 30,000.

By the Chairman:

Q. What is the percentage bearing?

A. Not five per cent, say eight per cent is in partial bearing.

By Mr. Schaffner:

Q. I understand your trouble is that with the American apples coming in you are not getting a market for your own fruit. Now as far as Southern Manitoba is concerned, it appears to me there is absolutely no organized effort on the part of the British Columbia growers to ship their apples into that country. You may be shipping them into Winnipeg, but you are not shipping them into Southern Manitoba.

A. We are making use just now of the jobber, and I do not think that the jobber can ever be dispensed with economically. But when you say that we have no organ-

APPENDIX No. 5

ization for putting stuff into your province, with all due deference, I think you are in error.

Q. In Southern Manitoba American apples are coming in all the time, but we rarely see British Columbia apples.

A. That is exactly what we complain of.

Q. The Americans are putting the fruit in there in the small towns. Where is your fruit going?

A. The people that put the American stuff into the small towns are handling our stuff and distributing it on exactly the same lines, and in exactly the same way as they are distributing the American stuff. The appearance of the American stuff in these small towns is only an additional proof that the American is swamping our market and is getting the bulk of the stuff there.

Q. If we see American fruit going into these towns and no British Columbia fruit, we must come to the conclusion that the Americans are putting more energy into the business.

A. No, I do not think so.

Mr. ROBB.—What do you pay for American fruit?

Mr. SCHAFFNER.—In boxes?

Mr. ROBB.—Yes.

Mr. SCHAFFNER.—We pay \$2.

Mr. THORNTON.—Mr. Foggo has already told us how the American fruit comes in at slaughter prices.

The WITNESS.—There may be another reason why in these small towns you get American fruit instead of our British Columbia fruit, and it is this. Our Number One is slightly better than the American Choice stuff. They may dispose of our fruit in the towns and cities and the American stuff which is slightly inferior, would naturally go to the smaller places.

By Mr. Schaffner:

Q. When you speak of a small town, the average population numbers about 1,000 people. That is the condition which exists to-day?

A. Yes.

Q. Now for some reason or other British Columbia apples are not visible in our towns as they should be.

A. That is the case because the bulk of stuff that we have had to distribute has been very small up to date, and the bulk distributed by these markets has been American stuff, but when we come to produce in the near future, as we are going to, the quantity of fruit that we can produce we are going to have enough to spread our apples all over these provinces—unless in the meantime we are forced out of business.

By Mr. Douglas:

Q. Speaking from the Alberta point of view there five years ago the proportion of British Columbia apples was five boxes to one of the American, and to-day the proportion is just the other way around. You did have practically the whole market of Alberta a few years ago.

A. Surely not—I mean that a few years ago we only shipped fifty cars. You cannot say that was all the stuff that was used in that market.

Q. Not all the stuff, but I mean to say that it was a big proportion compared with what the United States sent in.

A. It could only possibly mean that nobody was eating apples.

Q. Of course our population has largely increased in five years. Take the centres of Edmonton and Calgary, the Coldstreams people first put their selling organization in, they had a depot and distributed their fruit, they did not let the jobber handle it.

3-4 GEORGE V., A. 1913

A. The Oscar Brown Company was their representative.

Q. When Mr. Ricardo was manager of that organization he had a selling agent in Calgary who distributed the fruit to the retail dealers.

A. Mr. Ricardo is still manager of the Coldstream Fruit Company, and is president of the Okanagan Fruit Union of which I am a director. As a matter of fact the Coldstream orchards were the only ones in that district that were producing any apples at the time; that is nobody except that company had any necessity for any organization to distribute or sell their fruit, because the trees were not producing. But the moment the rest of the valley came into production, Mr. Ricardo, Mr. Agur and Mr. Kidston set to work and established this association and the Okanagan Fruit Union to handle all the Coldstream Estate Company's stuff.

Q. Do you say that Oscar Brown has now got control?

A. No, I said the Coldstream owned the Oscar Brown Co. and sold out four years ago.

By the Chairman:

Q. What would it cost to put that box of apples, the picking, packing, freight, &c., on the Winnipeg market from the Okanagan Valley? The actual cost?

A. I am sorry I cannot give you the exact figures if you lump the whole thing together; I can give it without the picking.

Q. Well, the whole cost?

A. 78 cents.

Q. That will be the cost?

A. That will be the cost from the time the apple is picked until it reaches the jobber.

Q. About what would you consider a reasonable price for fruit in Winnipeg—a box of apples?

A. We have heretofore considered a reasonable price, according to variety, as \$1.35 to \$1.50 a box.

Q. At Winnipeg?

A. F.O.B. at the shipping point.

By Mr. Sutherland:

Q. Do you know how many boxes have been shipped out of British Columbia this year?

A. I have already given the number of cars—we have shipped about a thousand cars of fruit, all told.

Q. About how many boxes of apples are included in that?

A. About 470,000.

By the Chairman:

Q. Coming back to that other point, how will that cost compare with the cost to the American shipper—the 78 cents?

A. In what way?

Q. In his expenses, in laying the fruit down in the market, is it more than the British Columbia grower?

A. His freight would be practically the same, only his cost of production and handling box, etc., is very much less.

Q. I understood you to say that the cost of picking and packing would be less, that would necessarily put them in a position of putting their fruit on the market at less expense.

A. The American cost of production is from 15 to 25 cents a box less than ours.

Q. Why?

A. Because the cost of labour in British Columbia is from 25 to 40 per cent higher.

APPENDIX No. 5

Q. How about transportation?

A. We have equal freight rates to Winnipeg and lower rates to intermediate points, particularly to Alberta points; the apple box costs us five cents more than the apple box costs in Washington, our paper costs us fifty per cent more than in Washington, and our nails, etc., all cost us much more.

By Mr. Douglas:

Q. Are you certain about the cost of labour being 40 per cent more?

Mr. WINSLOW.—Yes.

A. It is certainly 25 per cent, and it runs up to 40 per cent.

Q. How do you explain that?

A. For several reasons; of course down there there are big cities for one thing.

Q. It strikes me you ought to import Chinamen into British Columbia?

A. Well, of course, many of us are Orientalists in that sense, but, of course, we dare not say so.

By Mr. Schaffner:

Q. You said you should get at your door \$1.25 to \$1.50 per box. Do you not think that is a little high, that is equal to the price of \$4 or \$4.50 in Ontario?

A. That is without taking into consideration the cost of the barrel.

By Mr. Douglas:

Q. There is not very much difference, a gentleman from Ontario said the other day that it cost him 45 cents for every barrel.

A. But that barrel holds how much? Three times as much.

By Hon. Mr. Burrell:

Q. Still if you could get \$1.15 to \$1.20 and were reasonably sure of it, you could get along all right.

Mr. DOUGLAS.—Would not they be making good money at that?

Hon. Mr. BURRELL.—Of course you must take into consideration that the orchards are young, there are not very many in full bearing and they would not get very much out of it, but there is no doubt that in another five or ten years there will be an enormous amount of fruit, and I think the Northwest people, like the rest of us, feel that if they can get it at a reasonable price, they would rather have it than the American fruit. But the difficulty is that the British Columbia growers are up against a very serious proposition, they have not reached the stage of production that the other fellow has, and although they are rapidly increasing their production the other fellow is increasing just as fast as we are, therefore the condition continues the same.

Mr. DOUGLAS.—I do not know how that suggestion to stop these people sending in their apples is going to work. Even a duty of 25 cents a box will not stop them from sending their fruit in.

Mr. FOGGO.—I have really not made a suggestion yet as to what should be done. I was coming to that. Speaking generally, however, it is not the province of the grower to suggest remedies.

By Mr. Schaffner:

Q. You want the fruit properly marked, also the grades?

A. We want the Fruit Marks Act more rigidly enforced against American fruit. We want the consignment prevented.

By Mr. Douglas:

Q. You cannot prevent a man sending his fruit in?

A. You can prevent it in the sense that he cannot dump his stuff in at slaughter prices. You can prevent it in the sense of having the fruit properly inspected, and

3-4 GEORGE V., A. 1913

it is absolutely necessary to enforce this act of inspection. You can put an inspection fee on the car and refuse to allow the American shipper to dump his fruit on our market, uncontrolled. As it is now, they pour the stuff in. It is stamped No. 2 on the back of the box, in the warehouses, and in the retail merchants' premises.

Mr. THORNTON.—I think Mr. Foggo has emphasized the fact that a great disadvantage is created by the inefficiency of the Fruit Marks Act.

Mr. DOUGLAS.—That concerns the administration of the Act.

By Hon. Mr. Burrell:

Q. You speak about an inspection fee on cars. That is logical enough and there are some precedents for it. It is a question that might be given consideration. Do you really think that it would be practicable or possible to legislate against consignments of American fruit sold on commission, for instance?

A. If you put it in that way, no, sir. But you could arrive at the same place by another method. If you impose the same rules and regulations on American fruit dumped on our markets as are imposed on the British Columbia fruit grower, and which he has to live up to, it would help us. If you will not permit a box of American apples to go on the market in any condition and of any description other than what you allow us, you will be helping us to remove the present injustice and unfairness.

Mr. THORNTON.—That is what Mr. Foggo complains of, and it is perfectly fair.

Mr. FOGGO.—Now if you do that you are going to be burdened by the heavy cost of inspection, and so on, and I say that if you enforce regulations and rules along these lines you would be justly entitled, and it would be absolutely necessary, to make a fee per car for inspection. The fee would not have to be an exorbitant one.

By Mr. Sutherland:

Q. That would apply to both domestic and imported fruit?

A. No, sir, because we as Canadian taxpayers bear the cost of the inspection that is necessary with our own fruit. Our boxes are not wrongly marked. We have nothing on the boxes that is not entitled to be put on.

By Hon. Mr. Burrell:

Q. Our Canadians, whether in the east or the west, are all shipping to our own market and live up to our Act, but I presume a lot of American shippers do not know where their cars are going until they are diverted by wire?

A. That is true to a certain extent. In another way they know that their surplus choice stuff is coming to the Canadian market.

Mr. BURRELL.—I gathered that the system was such that they were not sure of the destination of the fruit until the cars were diverted, and naturally they are going to market it in their own way.

By Mr. Douglas:

Q. A great proportion of their fancy stuff comes into the Canadian market?

A. There is a small proportion comes into the coast market. There is a certain very small proportion comes into the Winnipeg market.

Q. I have not seen it in Edmonton.

A. You might have seen a little, but not a great proportion.

By Mr. Sutherland:

Q. Do you know whether the American market is sometimes undersold here?

A. That is coming at the dumping clause. It is a difficult thing, even for a manufacturer, to get proof of that practice. So it would be almost impossible, and

APPENDIX No. 5

I do not think it could be said with regard to the choice stuff that goes into the Northwest market that they are selling it in that market at a less price than they would accept at home. The reason for it is that the bulk of stuff that goes into the Northwest market is their surplus stock. They have not a price at home on it, because they are keeping it off their home market to keep up the average price for their Extra Fancy and Fancy. Consequently they would always take their surplus stuff, and to dispose of it in our market at whatever price they can get so as to recoup themselves for packing charges, &c.

It is extremely difficult to prove, and it is extremely difficult to say, as a general rule, that this consignment or this dumping in our markets is dumping in the restricted legal sense.

By Hon. Mr. Burrell:

Q. Even in Chicago their prices are extraordinarily low this year?

A. Yes, in point of fact the Americans, I understand, are wanting in organization, they are busy working along the lines of co-operative associations, because the distribution in their own country has fallen down.

Q. Are they forming an organization there now?

A. I understand they have had several meetings in connection with a proposal to form a single co-operative organization that will handle the stuff, control prices and look after distribution; the proposal is to cover all these States and get it down to somewhat similar lines as the central selling agency that handles citrous fruit.

By Mr. Thoburn:

Q. What about Ontario competition?

A. We do not object to competition from our Canadian neighbors. That would be fair competition. At present we are competing with nobody; we are having to put our stuff on the market at slaughter prices which is the direct result of American dumping. There is no competition in the proper sense.

By Mr. Douglas:

Q. Then you do not recognize Ontario competition as affecting you at all?

A. It certainly would, if this market was clean of this dumping. We would then be competing among ourselves. In the meantime, under present conditions, there is no competition.

By Hon. Mr. Burrell:

Q. The Ontario fruit is not the same factor as the American, and, of course, the Ontario stuff is nearly all barrelled.

A. Now, gentlemen I have endeavored to show you that the fruit growing industry in British Columbia is a thing of some consequence, and I have endeavored to show you that present conditions are such that, unless something is done, there is a strong probability of the industry going down and out. I want to tell you, and to tell you with all seriousness, that the resources of the people engaged in this industry have become strained to the utmost, that it is impossible for them to go further, and if nothing be done, it seems to me that provincially, and from a Dominion point of view as well, this very important industry is going to be allowed to fall down for want of assistance. The demand for assistance is not unreasonable when I remind you, as I said at the beginning of my remarks, of the fact that if it had not been for the representations made by the Federal and British Governments the fruit growing industry in British Columbia would never have been established, and would never have attained to the size that it has. There would not have been brought into that country the few people that have come in, and who have invested their capital, and in some cases the whole of their capital and their credit in the industry.

By Hon. Mr. Burrell:

Q. I suppose the condition is peculiar in this way, that people have gone into fruit growing entirely, and not into general farming?

A. They have not gone into general farming.

Q. They have cultivated a comparatively small fruit acreage and they have no resources to fall back upon.

A. Yes. But this industry can be helped along lines that will make it a very valuable asset, not only provincially but from the broader point of view of the Dominion as a whole. If I say it myself, this industry has brought into the country a good class of people. (Pointing to the Minister of Agriculture.)

Mr. THOBURN.—I thought you were going to say, 'Present company excepted'.

Mr. FOGGO.—I think it would be better to put it the other way. The Honourable, the Minister of Agriculture is above the standard. Seriously, the people engaged in this industry are at the limit of their resources. The outlook under present conditions is not hopeful. I am convinced that nothing we can do in that province, on the lines of organization, or on a co-operative or any other basis, is going to help us to salvation because our difficulty is beyond our power to remedy. We are incapable of handling it. We are incapable in a sense that it requires outside assistance. We do not control these markets, and we have to ask you to put us back in the position that was assured us as to these markets.

By Mr. Thoburn:

Q. What was that position?

A. That we had unlimited markets at our own door, which could take every bit of the fruit we could possibly produce.

By Mr. Douglas:

Q. Do you mean to say that any government could assure you of anything of that nature?

A. Not with a legal binding contract, but surely there is a moral obligation to endeavour to keep conditions up to the standard that was advertised.

By Mr. Thoburn:

Q. Have you made any suggestion to this Committee as to what you want? I was not here at the beginning of your remarks.

A. I might make this suggestion, if I am permitted: The logical remedy is to raise the duty.

Q. How much?

A. Raise it to 25 cents on apples.

Q. A box?

A. Yes, a box. If that be considered an impossible thing, although it is the natural conclusion that anyone would arrive at, that if an industry in a protected country is not sufficiently protected, further protection should be granted, it might be done in the way of bounties, and it could be done—at least we could be assisted—by enforcing the Fruit Marks Act and inspecting along rigid lines that will bear as heavily on the United States grower as it does on us. At present the enforcement of the Act does not touch the American; while it bears heavily on ourselves. I do not think that is an unfair demand.

Mr. THORNTON.—That would help considerably.

Mr. FOGGO.—It would certainly help considerably if you make as rigid inspection, and make the conditions as rigid as to the boxes of fruit that come in from the American side as we have to live up to under our statute. If you do that you are going to help. And if you go further in the administration of the Act, and in the enforcement of these conditions and these regulations and the necessary inspection and impose a

APPENDIX No. 5

fee to enable you to meet the cost of administering the Act, a fee sufficient to recoup yourselves for the additional outlay in the rigid enforcement of these regulations you are going to help us for a certainty.

Mr. THORNTON.—That is not a very unreasonable proposition—I think it is a very reasonable proposition which would not bear unduly on the consumer.

Mr. DOUGLAS.—If it works out as you suppose it will.

Mr. FOGGO.—Well, gentlemen, I have put up the case on the broadest lines, and I have endeavoured to show you the disadvantages we are under just now, the unfair conditions that we are labouring under just now. I have not entered into detail, I would be glad to supply any information that I can, to answer any particular question you may desire to ask me but I do not know that I can, usefully, go any further on this matter now. I thank you, gentlemen, for the patience with which you have listened to me, and the courtesy you have extended to me.

The CHAIRMAN.—Gentlemen, I am sure you have all listened with a great deal of pleasure and interest to what Mr. Foggo has said with regard to the fruit industry of British Columbia. We have now had evidence given before the Committee from the most extreme points of Canada in connection with this important subject, particularly with regard to the apple industry; we have had representatives from the Maritime Provinces, from Ontario and from British Columbia and I think that perhaps it would round out the subject if we had before the Committee one of the Fruit Inspectors, perhaps from the Province of Ontario. What do you think, Mr. Burrell?

Hon. Mr. BURRELL.—There will be no difficulty in getting one of the inspectors if the Committee wishes.

The CHAIRMAN.—If the Committee is of the opinion that it would be of any advantage to have one of these Fruit Inspectors appear before it and give us information in connection with the packing and the condition he found the apples in, arrangements will be made for his appearance. If you think it is not worth while to do so, perhaps, as there has been considerable complaint from different points about the freight and express rates, it will be well to have a man who can give us information upon that subject.

On motion of Mr. Douglas, seconded by Mr. Thornton, it was ordered that Mr. Hardwell, Chief Traffic Officer of the Railway Commission, be requested to appear before the Committee on the subject of Freight and Express Rates.

Committee adjourned.

3-4 GEORGE V., A. 1913

HOUSE OF COMMONS

COMMITTEE ROOM No. 105.

TUESDAY, April 1st, 1913.

The Select Standing Committee on Agriculture and Colonization met at 11 o'clock, a.m., the Chairman, Mr. Sexsmith, presiding.

The CHAIRMAN.—Gentlemen, the time for commencing our meeting has arrived. We have with us this morning Mr. James Hardwell, Chief Traffic Expert, Board of Railway Commissioners of Canada, who has been called to speak to us upon freight rates in connection with the fruit industry.

I will now call upon Mr. Hardwell to address you.

Mr. HARDWELL. I am not acquainted with your procedure, Mr. Chairman, and therefore do not know whether I am to answer questions or simply state what I know with respect to the evidence on freight rates already given here as I read it some two or three weeks ago when I was first summoned.

The CHAIRMAN.—Please proceed with your statement and if members of the Committee desire to ask you some questions, they can do so.

Mr. HARDWELL.—There are one or two outstanding matters that are fresh in my memory and that seem to have a rather bad appearance from the point of view of the railway companies. One was a statement by Mr. Johnson, President of the Ontario Fruit Growers' Association, to the effect that a higher rate to the Northwest on apples was paid by the growers from his district than was paid by the growers in Nova Scotia. On the face of it that statement seems rather absurd. The particular case cited by Mr. Johnson was the rate to Edmonton. His words as I have them here are:

"Nova Scotia gets a rate of one cent per hundred pounds less to Edmonton than Ontario people get for seven hundred miles farther."

That statement is altogether wrong. Mr. Johnson said his Association had a Traffic Adviser. If so, I am rather surprised at his making such a statement. As a matter of fact the rates from the Annapolis Valley, Nova Scotia, run anywhere from twenty to thirty cents per hundred pounds higher than those from Western Ontario.

By Mr. Armstrong (Lambton):

Q. Is that to Winnipeg?

A. To any points in the West. To Winnipeg, Edmonton and other points.

By the Chairman:

Q. What is the rate from Annapolis Valley to Edmonton?

A. Take Kentville, Nova Scotia. The rate from that point to Edmonton is \$1.33 per 100 pounds. The rate from Forest, Mr. Johnson's home town, is \$1.04, a difference of 29 cents.

By Mr. Armstrong (Lambton):

Q. What kind of freight is that?

A. I am speaking of apples in car-loads.

Q. Are the express rates the same?

A. At present I am speaking of freight rates. Mr. Johnson in his evidence referred to freight rates. There are very few apples shipped by express. The great bulk, in

APPENDIX No. 5

fact practically all the shipments of apples, go in carload lots to the West. All that go by express are probably a few lots of early apples.

By Mr. Douglas:

Q. You said the rate was \$1.33?

A. That is taking Kentville, Nova Scotia, as the point of shipment.

Q. The rate from the Western Ontario point of shipment is what?

A. \$1.04. Mr. Johnson said that the Nova Scotia growers had a rate of 1 cent per hundred pounds less than the growers had from Forest. I have given the exact figures, and the difference applies not only to Edmonton but to Winnipeg and all Western prairie points. The rate from St. John to Edmonton is \$1.22, 18 cents higher than from Western Ontario.

By the Chairman:

Q. That is the rate from St. John to Edmonton is \$1.22?

A. Yes. The rate from Halifax is \$1.23, 1 cent more. From Windsor, Nova Scotia, it is \$1.31, from Wolfville, \$1.32, from Kentville and Canning, \$1.33, and from Berwick, Mr. Chute's home town, \$1.34. Mr. Chute is the gentleman from Berwick, Nova Scotia, who gave evidence before this Committee the other day. The same differences apply through the West. I have made a note of the statement of Mr. Chute when he was before the Committee. He said:

'We cannot compete with Ontario in winter apples. They have a better freight rate and a larger barrel too.'

That I think disposes of Mr. Johnson's evidence in that regard.

By Mr. Armstrong (Lambton):

Q. Would you mind repeating that?

A. I have given a quotation from Mr. Chute's evidence.

Q. Yes, and what did he say?

A. "We cannot compete with Ontario in winter apples. They have a better freight rate and a larger barrel too."

Q. That might be a mistake on the part of a fruit grower who did not investigate the freight rates. I have received a letter from Mr. Johnson in which he makes this statement:

"Regarding Nova Scotia rates West, I believe we have a better rate to Winnipeg than they have, but to Edmonton they have a rate of 1 cent per hundred (cwt.) less than we have, although 700 miles further away."

A. That is not correct. Mr. Johnson is misinformed.

Q. He has obtained this information from the Transportation Committee of the Fruit Growers' Association.

A. In that case they are also misinformed. They are either working on wrong tariffs, or have misunderstood the tariffs which are applicable.

Q. By the hundred pounds?

A. By the hundred pounds.

Q. It makes no difference what the size of a barrel is?

A. These rates are for the hundred pounds.

By Mr. Douglas:

Q. There is another point which you may have overlooked. The barrel shipped is 165 pounds.

A. This is the actual weight, sir.

Q. But if a barrel actually weighs 150 pounds does the railway company accept it as 165 pounds?

3-4 GEORGE V., A. 1913

A. I would like to say something in regard to that. Down to 1907 the weight accepted by the railway companies was 165 pounds to a barrel, of certain dimensions. That is the 165 pounds applied to a barrel when packed in a standard apple barrel 30 inches from crow to crow, and $17\frac{1}{8}$ inches across the top, inside measurement, or barrels of similar, or less, size or capacity. Since 1907 the railway companies have carried barrels of apples at the actual weight. It is true, however, that they do estimate the weight at 165 pounds when they have not the time or opportunity to actually weigh the barrels. As a matter of guess, I should say that probably nine tenths, or nineteen twentieths, of carload traffic is weighed on the track scales.

By the Chairman:

Q. Are you referring strictly to apples?

A. To all kinds of freight.

Q. I know that a great many apples were shipped this year at 165 pounds without being weighed. I shipped some barrels myself that were not weighed, although there were weigh scales right in the yard.

A. And the railway officials did not weigh them?

Q. No. The scales were in the yard practically. Well, not in the yard, but the apples were loaded three miles distant and they had to go through the yard where the scales were. That was at Havelock.

A. Would 165 pounds be greater than the actual weight?

Q. No, I suppose that would be the average. I have no complaint to make against the railway company, so far as I am personally concerned.

A. The figures I have given are from the Canadian freight classification approved by the Railway Board and in force since 1907. Apples in carloads are carried at the actual weight with a minimum of 24,000 pounds to the car. Where it is impossible to weigh the barrels they are estimated—of course the railway companies must take some figure for an estimate—at 165 pounds. Notwithstanding that, if the consignee can show that the apples have not been weighed by the railway company, and that they do not weigh 165 pounds, a reduction must be made to the actual figures, with a minimum of 24,000 pounds to the car.

By Mr. Wright:

Q. What is the estimated weight of a barrel of apples in Nova Scotia?

A. I understand that down there the railways carry them at so much a barrel. The bulk of the apples in Nova Scotia go to Halifax for export.

By Mr. Armstrong (Lambton):

Q. Why do the railways give a better rate from Vancouver, we will say, to Edmonton and Winnipeg from the West than they do from the East?

A. Well, I do not know that it is a better rate, considering the mileage. You are referring now to a statement made by Mr. Johnson, I presume, as to his paying a considerably higher rate out from Winnipeg west for the same distance than the Western people pay coming east.

Mr. ARMSTRONG (Lambton).—Yes.

A. That for the same service into Winnipeg?

Q. Yes.

A. I was just coming to that, but I thought I would dispose of the Nova Scotia matter first.

By the Chairman:

Q. You claim that Mr. Johnson was wrong in the statement that the Nova Scotia people had a lower rate than the Ontario people?

A. Absolutely wrong.

APPENDIX No. 5

Q. You think that the railway companies in Ontario do not charge the very excessive prices he said?

A. I am quite sure they do not, the railway companies are not built that way. They charge the full tariff, and if the agent at the shipping point made a mistake and billed those apples at the rate he said you may depend upon it that the agent at Edmonton would set the charges up.

Q. I think, too, that the Nova Scotia people would have some advantage in their barrel; the Nova Scotia barrel is a barrel of apples in the West just the same as the Ontario barrel, though it is thirty pounds lighter.

A. I do not suppose it would make that difference, he refers particularly to Edmonton, anyway.

Q. You see in that sense they may have an advantage.

A. It might be well, if Mr. Johnson is still under that impression, if he would communicate with our Board, and we will give him all the information; it may be he is using the wrong schedules.

By Mr. Douglas:

Q. Is this what I understood Mr. Johnson said, that a man in the Annapolis Valley, Nova Scotia, landed apples cheaper in Edmonton than the Western Ontario grower? That is the statement if I understand it.

A. That is it.

Q. That is impossible.

A. There is a belief that way, but I gave you the figures, and they run from 20 to 30 cents per hundred pounds higher from Nova Scotia than from Ontario.

By Mr. Wright:

Q. But you did not answer this point, that the standard barrel being different that the Nova Scotians can ship apples to the West cheaper perhaps; what would be the estimated weight of one of those barrels, where they do not have the opportunity of actually weighing them?

A. The Nova Scotian barrel?

Q. You say they automatically fix the weight of the Ontario barrel at 165 pounds, what would they fix the weight of the Nova Scotian barrel at?

A. I do not know of any exception, if they were not weighed they would probably go at 165 pounds.

The CHAIRMAN.—That is because of the measurement of your barrel?

A. No, that was the old rule up to 1907, since then it has been by the hundred pounds.

By Mr. Armstrong (Lambton):

Q. If you are not aware what they do charge I do not see how you can make a positive statement.

A. I have given the rate per hundred pounds, in fact I do not know exactly what is the size of the Nova Scotian barrel, but I gathered from some evidence I read that it is a smaller barrel, but that they are endeavouring to adopt a standard the same as in Ontario.

Q. You do not know what the railway bills them at, as far as that is concerned?

A. No, if they weigh them then they are charged on the actual weight, and the size of the barrel would cut no figure, but if they do not weigh them, and they charge 165 pounds, then I can understand that they may be charging a higher rate per barrel on the Nova Scotian apples.

Q. Yes, and if they are charging the Nova Scotian barrel at 125 pounds that would be a considerable difference.

Mr. DOUGLAS.—Of course they have the opportunity of having them weighed at the other end.

3-4 GEORGE V., A. 1913

Mr. ARMSTRONG (Lambton).—Yes, but there is no reason for this gentleman telling us that the apples are being weighed. We ship carloads and carloads to the West from sidings where there is no possibility of weighing the apples, and they must have some standard of weight for the barrels in Nova Scotia.

A. I make this statement, sir, that the C.P.R. have something like 70 track scales, and the Grand Trunk have something like 53 or 55 track scales; I also know that it is the practice, and the companies have given positive instructions to their men, to weigh carload traffic. I can quite understand that if there is congestion in the yard where the track scale is some cars may go through without weighing.

Q. I have shipped this year from Kingscourt and Wanstead Sidings in the County of Lambton, and there was no such thing as weighing a single barrel at those points.

A. No, they have no track scales there, but the rule would be to weigh them at the first track scale point. For example, if those apples were going to Montreal or St. John they would go through London, and there is a track scale at London where they would be weighed.

Q. And if they went West through the States where would they be weighed?

A. At Sarnia or Windsor, wherever they crossed the frontier.

Q. Have they track scales at Sarnia?

A. At Sarnia and at Windsor.

Q. And they would be weighed there?

A. That is if the instructions were carried out. I am quoting now from the rules, and the directions, as I remember them, and so far as I know from what has come before the Board from time to time, the companies are very particular about weighing.

By Mr. Wright:

Q. If that 165 pounds is supposed to be the maximum weight there is no object in a railway company weighing the barrels, or taking any trouble to weigh them, because they know they would not get any more than that, and if they did weigh them they might probably turn out to be less than 125 pounds, so that there is no object in the railway company weighing them?

A. This estimated weight of 165 pounds was in force for such a number of years that I can understand that, perhaps the agents at the track scale stations, who have lots of other shipments to weigh, and other duties to attend to, if they come to a lot of apples may think, "We will let these go through without weighing, they will go at 165 pounds anyway."

The CHAIRMAN.—Yes, I think that is the real condition.

By Mr. Best:

Q. Where does the shipper get the weight of the carload?

A. If the apples were loaded at a station having no track scales the agent would probably bill them at the tariff minimum of 24,000 pounds, and then they would be weighed at an intermediate track scale station. If, upon weighing, the carload was found to weigh more than the 24,000 pounds the weight would be set up to the actual weight, and if less, it would remain at 24,000, which is the minimum, and that weight would go on the advice of the charges which is given to the consignee at the destination.

By Mr. Steele:

Q. Does the rate of freight on apples apply to Western Ontario?

A. These rates to the West?

Q. Yes?

A. Yes, they apply throughout Western Ontario.

APPENDIX No. 5

Q. Are the rates the same from St. Mary's and Stratford, the one being a competing point on the railways, the other not?

A. To Winnipeg?

Q. Yes, or to Edmonton.

A. To Winnipeg 53 cents; to Edmonton \$1.04, from all Western Ontario.

Q. I would like to know if the rate is the same from Stratford as it is from St. Mary's. One place is a competing point through which both the C.P.R. and Grand Trunk Railway pass, and the other is simply a Grand Trunk Station.

A. These rates from Ontario are blanketed for all railways without distinction, regardless of whether they are competing or non-competing points, or whether they originate on the C.P.R. or not. These rates are blanketed from all Western Ontario points to the West.

By the Chairman:

Q. The rates are agreed upon by the different railways?

A. They are practically fixed by the C.P.R., which has the through line, but the same rates apply over the different lines in Ontario.

By Mr. Steele:

Q. Evidently the railway companies do not always enforce these rates because, as a matter of fact, there is a different rate between those two points I have mentioned.

A. Do you mean from Stratford and St. Mary's to the West?

Q. Yes, the rates on apples from those points to the West.

A. I am surprised to learn that.

Q. I cannot give you the figures but I know there is a different rate.

A. And it applies to some point West of Port Arthur?

Q. Yes, to Winnipeg.

A. What you say is, the rate is different from St. Mary's to what it is from Stratford?

Q. Yes. I don't know whether it applies to carload lots, but a farmer can ship a few barrels from St. Mary's cheaper than he can from Stratford.

A. By freight?

A. That is surprising to me.

By Mr. Douglas:

Q. Perhaps the blanketing applies only to carloads.

A. It applies to everything. I think Dr. Steele will find there is some mistake if he will look into the matter.

By Mr. Armstrong (Lambton):

Q. This does not apply to express rates?

A. I am speaking of freight rates.

By Mr. Merner:

Q. I don't think it is applicable to freight rates. I made a shipment from Hensall to Leduc, Saskatchewan, north of Regina, and I was charged 88 cents per hundred pounds. There is no railway competition there.

By Mr. Wright:

Q. What would the rate be from Stratford?

A. The same.

By Mr. Merner:

Q. There is no competition at the Western point I have named and still I had to pay that much.

3-4 GEORGE V., A. 1913

A. I have not the tariff here, but assuming you paid 88 cents, then the same rate would also apply to shipments from Stratford, London, Windsor, Hamilton and Toronto.

Q. I could not say as to that. What you say is that the rate from Forest is a blanket rate covering Western Ontario?

A. Yes.

Q. And that rate is lower than what I am getting from Hensall. What rate were you giving?

A. \$1.04 to Edmonton.

Q. Give me the rate to Regina?

A. 83 cents.

Q. The point I shipped to was Leduc, Saskatchewan, on the Pheasant Hill Branch.

A. The rate to Saskatoon is 91 cents.

Q. Then possibly the rate I paid would be right then.

A. I think the rate you paid was about right. The point I make, however, is that whether the shipment be from Forest, London, or Stratford, the rate would be the same. No distinction is made between shipping points in Western Ontario. I want the Committee to understand that I am not here to defend the railways; I am simply giving the facts, as I understand them, from the tariffs that have been filed.

The next important point, it seems to me, is that referred to by you, Mr. Chairman, and that is the evidence of Mr. Johnson to the effect that the Western States apple growers have an advantage in shipping into the Prairie Provinces over the Ontario grower, because, as he put it, while the latter pays—we will say for the sake of illustration—30 or 40 cents over the Winnipeg rate, we will say to Medicine Hat, the Western man will pay something like 8 or 10 cents perhaps over the Medicine Hat rate to Winnipeg; and Mr. Johnson inferred from that that the railway companies were giving American fruit so much free transportation. That is the way he put it approximately. Mr. Johnson's figures seem to be wrong again, but he might have gone further—

By Mr. Armstrong (Lambton):

Q. Did Mr. Johnson use those exact figures?

A. No.

The CHAIRMAN.—I have Mr. Johnson's statement on that point and I will read it:

'The Americans shipping from Oregon and Washington States pay for the haul of 765 miles between Lethbridge and Winnipeg, 18 cents a barrel, or 11 cents a hundredweight, while for the same distance we pay 84 cents a barrel.'

By the Chairman:

Q. By that statement Mr. Johnson means, I understand, that if you were shipping apples through Winnipeg to Lethbridge you would have to pay 84 cents, while for shipping through Lethbridge to Winnipeg the rate would be 18 cents a barrel?

A. Yes.

By Mr. Armstrong (Lambton):

Q. Well, what is the rate?

A. Taking the tariffs, the rate is 75 cents all the way from Lethbridge and Medicine Hat into Winnipeg.

By Mr. Douglas:

Q. Per hundred?

A. Per hundred pounds.

APPENDIX No. 5

By Mr. Armstrong (Lambton):

Q. Is that the freight rate on apples?

A. That is the rate per hundred pounds on apples in carloads. So that taking Mr. Johnson's reasoning the companies are carrying apples free to Winnipeg all the way from Lethbridge and Medicine Hat.

Q. You surely must be mistaken. Have you the freight rates from Winatchee and Yakima to Winnipeg?

A. It is 75 cents per hundred pounds.

Q. 75 cents per hundred pounds from those places in Oregon and Washington States to Winnipeg?

A. Yes.

The CHAIRMAN.—And the contention is that it costs our shippers 84 cents from Winnipeg to Lethbridge.

By Mr. Armstrong (Lambton):

Q. Let me quote further from Mr. Johnson's letter to me:

'Your figures show that over the mountainous route from Yakima, Washington, to Calgary, the rate is 95 cents a cwt. Mr. McIntosh—'

He is the gentleman who examines the rates for the Fruit Growers' Association—

'advises me that the rate from Yakima is 75 cents per hundred.'

Why is it that the fruit can come from Yakima, Washington, to Winnipeg, at a cheaper rate than fruit can be shipped at from Calgary to Winnipeg?

A. Take London, Ontario, which is a representative point. The rate to Winnipeg from London is 53 cents for a distance of 1,342 miles. Taking Yakima and Winatchee as central points in the Western United States, the rate is 75 cents instead of 53 cents, and the distance is 1382 miles from Yakima by the short route, and, 1,512 miles from Winatchee.

Q. What I want to get at is this: you told me that the rate from Lethbridge to Winnipeg is 50 cents.

A. No. What I said was that the rate from those Washington points to Lethbridge and to Medicine Hat was the same as to Winnipeg, 75 cents.

By Mr. Douglas:

Q. The same to Lethbridge?

A. Yes, the same to Lethbridge. As to the rate to Winnipeg, it looks on the face of it worse than Mr. Johnson argued, because according to his reasoning, the railways are carrying apples free from Medicine Hat and Lethbridge to Winnipeg.

By Mr. Armstrong (Lambton):

Q. That is just what I want to get at.

A. I would like to explain that. To my mind the arrangement is distinctly in favour of the Ontario shipper in this way. I will take points in Washington that correspond with the Okanagan in British Columbia; take Yakima, Walla Walla and Winatchee, I think Mr. Ruddick will know that these are fairly representative points in Washington; now these points are served by the Great Northern and the Northern Pacific Railways, and they make the rate to the Red River, that is to Grand Forks, Fargo and other points, 75 cents. Winnipeg is also a Red River point, Winnipeg claims the same rate and gets it. Now that rate on the Northern Pacific and Great

3-4 GEORGE V., A. 1913

Northern is backed up all the way to Billings in Montana, that is it was settled as a blanket rate, all the way from Billings to Fargo, a distance of 640 miles at 75 cents, then it drops a cent on the way back to Helena and Butte. Now the same practice is adopted by these American companies in making a rate into Canada; they make a 75 cent rate to Winnipeg, and carry that rate back even farther than in their own country, to Medicine Hat, and Lethbridge, a blanket rate of 75 cents. Now I think this is distinctly in favour of the Ontario shipper. There are only two ways of getting over that so that there will be a difference between the rate to Medicine Hat and Winnipeg, we will say; the one is to advance the Winnipeg rate to a point higher than the Red River basis, to which Winnipeg would certainly most strenuously object, and the other is to reduce the rates west of Winnipeg, and every cent you take off that rate you add a like amount to the competition that the Ontario man has to meet.

By Mr. Armstrong (Lambton):

Q. Yes, but by what you are saying the American roads are hauling goods for nothing in Canada.

A. In what way?

Q. Your rate is 75 cents from Calgary to Winnipeg.

A. No, no, apples are not shipped from Calgary to Winnipeg.

Q. Yes, but apples come from Washington, over the mountainous road, and coming by way, as I understand it, of British Columbia ports of entry. They come in and they are able to distribute them in Winnipeg for a rate that is practically the same as what you charge from Calgary to Winnipeg?

A. I do not know what the rate is from Calgary, but I do not know that apples are shipped from Calgary. What I meant to say was that the rate from Yakima and Walla Walla, and those points in Washington to Medicine Hat and Lethbridge (they do not go through Calgary) is the same as to Winnipeg, so that Mr. Johnson is wrong in saying they are carrying apples free from Lethbridge and Medicine Hat to Winnipeg.

Q. Yes, they carry them free, you admit that.

A. No, I do not admit that they carry them free. It is a blanket rate which is made in the United States and the American companies have so made their rates that the shipper of fruit who ships only to Medicine Hat or Lethbridge has to pay the same rate as the man who ships to Winnipeg.

Q. Is that not against the interests of the Eastern grower?

A. I do not so see it, because, following out the American practice, if the rate were scaled down as the distance decreases, going West, by every cent you scale it down you add one cent to the competition which the Ontario man has to meet, I think that is clear.

Q. You are speaking from the standpoint of shipping West, while I am speaking from the standpoint of shipping East.

A. It is the same from British Columbia, 75 cents from Okanagan points, although the British Columbia shipper is favoured a little more than the American, because his rates are not carried back so far, and he gets some little privilege there. But if any one has a complaint it seems to me it is the British Columbia man and not the Ontario man.

By Mr. Douglas:

Q. What is your rate from Kelowna to Edmonton?

A. 67 cents.

Q. As against 75 cents?

A. Against what?

Q. The American shipping rate of 75 cents?

APPENDIX No. 5

A. No, the American shipping rate to Edmonton is 95 cents, or 85 cents from Spokane points, that is owing to this Red River basis I speak of.

By Mr. Armstrong (Lambton):

Q. Just a moment, I understand that the rate from Kootenai Wash., is 75 cents, is that right?

A. I have only the rates here of the western territory, because these were the only ones dealt with in the evidence.

Q. The statement I have from a man who is an authority on rates is that the rate from Kootenai, Wash., to Montreal is one dollar, that is a very cheap rate, isn't it?

A. I should think so. That would be governed, I suppose, by the rate New York has fixed, and the rate to Buffalo might be lower than that, and so it would scale back and might produce a low rate to Montreal. I thought only the rates mentioned in the evidence were coming up or I would have brought the tariffs with me. However, I shall be glad to give them to you if you will call at my office, or I will drop you a line.

By the Chairman:

Q. Do I understand that the rate from Washington to Winnipeg is 75 cents?

A. 75 cents.

Q. And from Ontario to Calgary?

A. Ontario to Calgary is \$1.04, the same as Edmonton.

Q. What is the difference in the mileage from Ontario to Calgary say, and from Washington to Winnipeg?

A. Take London, that is a central point in Ontario, to Calgary it is 2,180 miles; now if we take from Wenatchee, in Washington, to Winnipeg, it is 1,512 miles; or 1,382 from Yakima, short mileage in Spokane.

Q. What is the difference in the rate?

A. The rate from Wenatchee, etc., to Winnipeg is 75 cents, and the rate from London to Calgary is 95 cents.

Q. 95 cents?

A. No, pardon me, \$1.04.

By Mr. Douglas:

Q. The difference in favour of the American shipper is 19 cents.

The CHAIRMAN.—I am speaking of Winnipeg, they get a rate to Winnipeg of 75 cents. While their rate does not get any greater as they go east to Winnipeg, our rate from the east, going west, gets greater every 50 miles, until we have to pay \$1.04 to get our apples to Calgary, while they have to pay 75 cents from Washington to Winnipeg. Apparently the way that works out is this, that through their blanket rate the Washington apples are carried from Washington to Winnipeg, the same distance, for 75 cents, that we have to pay, from here to Calgary, \$1.04.

A. Is it the same distance?

Q. You tell us they have a blanket rate, so I assume that they can ship their apples from Washington for 75 cents, the same distance as we have to pay from Ontario \$1.04; that is discrimination, to my mind, against the Eastern grower getting his fruit into the Western market of 28 or 29 cents.

Mr. WEBSTER.—And one quarter further distance. So that the American railways charge much higher from Washington to Lethbridge.

The CHAIRMAN.—That is not what I was coming at. The rate for American shippers from Washington to Winnipeg is 75 cents, whereas the charge to our Ontario shippers for the smaller distance would be \$1.04.

3-4 GEORGE V., A. 1913

Mr. HARDWELL.—The distance from Wenatchee to Winnipeg is 1512 miles and the freight rate is 75 cents between these points. The nearest Canadian haul to that which I have here is from London to Brandon, a distance of 1475 miles, or about 35 miles less, and the rate from London to Brandon is 68 cents.

By the Chairman:

Q. That does not clear up the point. You want to get a certain point in the United States, the distance from which to the Canadian market would be about 1,500 miles. Then you take a similar point from Ontario.

A. I would have to figure out these mileages.

The CHAIRMAN.—The blanket policy seems to me to favor the Western fruit growers.

By Mr. Best:

Q. Will you explain to me how the Winnipeg consumer can get cheaper fruit from the West than from the East? I cannot see that he can.

A. I cannot answer the question. Perhaps the middleman would come in there. I may say there are before the Board of Railway Commissioners statements from American shippers in Washington and Oregon, complaining that they are being discriminated against in favor of the Canadian shipper.

By Mr. Webster:

Q. Does any quantity of Washington fruit go through to Montreal?

A. I do not think so. There may be some in the early part of the season, perhaps, shipments in boxes.

Q. But no carloads?

A. I have never seen any carloads when I have been to Montreal.

Mr. REDDICK.—(Dairy and Cold Storage Commissioner).—An odd carload goes to Montreal and Toronto.

By Mr. Webster:

Q. At what port would American fruit from Washington enter Canada?

A. It would enter by way of the Sarnia tunnel, I fancy, or over the Wabash and the C.P.R. through Windsor. The American roads would take the long haul.

By Mr. Steele:

Q. Why not take the chief distributing points in the West, and then get the rates from Washington and from Ontario to those points and compare them?

A. I have the principal points here, because I anticipated having to answer some questions with respect to them. I have Winnipeg, Portage la Prairie, Brandon, Saskatoon, Regina, Swift Current, Medicine Hat, Lethbridge and Edmonton.

Q. Give us the Ontario and Washington rates to Winnipeg.

A. Winnipeg—Washington, 75 cents. Ontario, 53 cents. Regina—Washington, 75 cents, Ontario, 83 cents. Medicine Hat—Washington—

By Mr. Smith (South Ontario):

Q. What is the difference in the mileage?

A. I have not got the mileages figured out. I have got the Ontario rate figured out from London as a representative point.

By Mr. Chairman:

Q. Give us now Medicine Hat.

A. Medicine Hat—Washington, 75 cents, Ontario 94 cents. Calgary—Spokane points 80 cents, others 95 cents, Ontario about \$1.04.

APPENDIX No. 5

By Mr. Douglas:

Q. Just on that point. Did the Railway Commission ever take into account that Calgary is being discriminated against from the Western shipping points.

A. The Commission have not had this question before them. They have never received any complaints about the comparison between these rates.

Q. It looks ridiculous on the face of it that there should be a higher rate on apples going to Calgary than on apples going into Winnipeg from the same territory.

A. It is out of the rate zone.

Q. It is only the run up from Lethbridge, which is a very short run.

A. The difference is only five and ten cents.

Q. I know, but the difference between Winnipeg and Calgary is something like 800 miles.

A. You ask why they should charge a higher rate to Calgary than to Lethbridge and Medicine Hat?

Q. Yes, into Winnipeg. Is that justifiable?

A. That is a matter for investigation. The railways have applied this rate to strictly intermediate points.

By Mr. Armstrong (Lambton):

Q. Do I understand you to say that the fruit growers did not place their requirements before the Railway Commission?

A. No, sir. In answering the question I said that complaint as to the differences between these rates to the West had not been laid before the Commission.

Q. You do not make the statement that the fruit growers did not place before the Commission a number of their complaints?

A. That they did not place before the Commission their complaints?

Q. That they did not place before the Commission a number of complaints in regard to the rates and stop-over privileges, and a number of other things they require. I was wondering whether you took that position or not.

A. No, I was answering the question about these particular rates. What I say is, that the matter of these apple rates to the West has not been brought before the Board, except as part of a general rate enquiry which is being undertaken now. The Board, about 12 months ago did reduce the rates to the West generally, and a general inquiry is now going on. The difference between the American and Canadian rates to the Canadian West has never been brought before the Board as such. There has been no complaint that the American shipper has the advantage in that regard.

By Mr. Wright:

Q. Has the Railway Commission any control over the rates that are in vogue at Washington, or other United States points, with respect to shipments into Canada?

A. Only over the Canadian portion of the rates on such shipments.

Q. Take the 75 cent rate on shipments from points in Washington and Oregon States to Lethbridge, and thence into Winnipeg. What control would the Railway Commission of Canada have over that rate?

A. The Board would require the Companies to file a statement of their system of apportioning the rate, and would then determine whether the Canadian portion was reasonable or not. If the through rate from an American point to Canada is attacked, the Railway Commission of this country can only act with respect to the Canadian portion of it. That would depend a great deal upon the mileage.

Q. We have a parallel case in the shipment of grain from the West. I understand the railway gives the same rate to Sudbury as to Morrisburg, four hundred or five hundred miles farther East. They have a blanket rate, as you say, all over Ontario. I suppose the rate is accepted by the Railway Commission as being the best

3-4 GEORGE V., A. 1913

rate that could be adopted generally with respect to shipments from the West to the East, and the United States railways have a similar blanket rate from the valleys of the Pacific Coast to points in the Prairie Provinces.

A. Probably.

Q. What I want to get at is this: What view does the Railway Commission take of such an arrangement. Do the Railway Commission give their assent to the American shippers to make a classification of that kind?

A. No. The Board is not required by the Railway Act to approve of these tariffs. It is only required to approve the maximum tariffs of Canadian railways. All Canadian tariffs below that maximum are published and filed under the Railway Act and are subject to disallowance on change or complaint, or on the initiative of the Board.

MR. ARMSTRONG (Lambton).—It was recorded in the papers after Mr. Johnson and others had made statements before the Committee that the Board of Railway Commissioners announced that nothing had been placed before them by the Fruit Growers' Association, that no request had been made to them.

A. Was that in the newspapers?

Q. Yes, is that correct?

A. I did not see it, but it was probably based on a letter that the Chairman of the Board, Mr. Dayton, wrote to the Chairman of this Committee.

Q. What was in that letter?

A. It was to the effect that the Chairman of the Board was not aware of any complaints that had not been attended to, and that if there were any outstanding complaints, he would be very glad indeed to have a list of them.

MR. ARMSTRONG (Lambton).—If you will allow me I would like to place before the Committee a statement by the Transportation Committee of the Ontario Fruit Growers' Association. Mr. George E. McIntosh, who is the tariff expert of the Fruit Growers' Association of the Province of Ontario, made the following statement:

'It was my privilege to present the last appeals of the Ontario Fruit Growers' Association before the Commission, which were heard in Toronto, November 6th, 1912. Application No. 1 was for the same stop-over privilege for completing carloads as granted by the railways to shippers of live stock, grain, canned goods, poles and lumber or, in the alternative, the restoration of one-third rebate on part carloads shipped to concentration points. Application No. 2 was to compel the railway companies to pay shippers who had to put slat floors in refrigerator cars a reasonable amount for such work and material, similar to that paid for grain doors, coal doors, etc.

'These were important to all shippers, Ontario canned fruits had the stop-over privilege; British Columbia fruit growers had a special rate for any quantity to concentration points; the Official classification, the Western classification and the Southern classification all made allowance for fittings supplied for cars, and a prompt ruling of the Board was confidently looked for. As I said before the hearing took place on November 6th and the ruling of the Commission was handed out March 5th, 1913. The members of the Transportation Committee were anxious to know, so as to arrange plans for further improvement for the coming season. This delay of four months was, I believe, one of the points of complaint to which Mr. Johnson referred, and any others he will himself explain to you.

'Briefly the ruling of the Board was as follows: We get no stop-over privilege, but railways must give one third rebate on apples to concentration points. In regard to fittings supplied for refrigerator cars—no definite decision will be given until after April 15th'.

APPENDIX No. 5

I merely make the statement to show that the fruit growers have tried to place before the Railway Commissioners a number of their complaints.

A. That is a very reasonable statement, and I think, it shows that the matter has been attended to.

Q. Well, it has been attended to, but as far as the fruit growers are concerned they have had no redress.

A. He admits that the Board has ordered the railway companies to carry apples to concentration points at a reduction of one third.

Q. Just a moment,—the railways must give one-third rebate on apples to concentration points?

A. Yes.

Q. But as to stop-over privileges and the other requests in regard to fittings for refrigerator cars, no attention has been paid to it.

A. Pardon me, I do not think it is quite fair to say that, because this man writes and admits that it has been attended to, but he says that the question of fittings for refrigerator cars has been held over until April. That has been done in order to enable the railway companies to make an inventory of their cars and to make a return of the number of cars that have slat floors and the number that have not; when we have that information the Board will be in a position to take such steps as may be consider necessary. With regard to the stop-over privileges the Board did not grant that because it had no power to do so; that is the view taken by the Board. Legally the railway companies are entitled to charge their tariff rates from the original shipping point to the point where the car is to stop for completion and then again the local tariff rate from the point where the car stops to the final destination. That is their right, but in practice they do give stop-over on certain classes of traffics which in their judgment requires such stop-over, as in the case of live stock. In that case they give stop-over privileges because the drover goes out in the country and buys a small bunch of cattle here, and another small lot there, and rather than have to drive them by road, to the deterioration of the cattle, the companies have given stop-over privilege to pick up and concentrate these small lots.

Q. But I think they charge for it?

A. Oh certainly, but shippers do not pay the local rate, they get a through rate, with an additional charge for the stop-over privilege. The Board has really not much to do with this question beyond seeing that any stop-over privilege that has been granted does not injuriously affect the interests of another shipper who also wants stop-over privileges. In other words, if there is no injurious or unjust discrimination shown the board has no power under the Railway Act to order the railway companies to do this. That is the view taken in that decision, but the matter of rebate was taken up and the board ordered them to carry these apples in less than carload lots into these concentration points, to be selected, branded, etc., as a reduction of one third from the local rates. The board believed it had the power to do that.

Q. I have a statement from Mr. P. W. Hodgetts, Secretary of the Fruit Growers' Association of Ontario, in which he says that the complaints of the Fruit Growers before the Railway Commission are as follows:

'The most notable is that of the express rates. The hearing in connection with the whole matter of the express tariffs was in 1909. Up to the present practically no relief has been given to the fruit grower in regard to these rates other than the reduction on the rate to Winnipeg and the West, which was ordered by the Chairman at an early date after the hearing. We were told that other rates would have to wait until the whole question was decided upon.

'A matter affecting particularly the Forest fruit growers was that of joint through rates. The Chairman stated in his report, 'we have come to the conclusion that the companies engaged in the express business in Canada must estab-

3-4 GEORGE V., A. 1913

lish joint through rates on express and freight traffic which shall be less than the sum of their locals.' "The Commission in concluding used the words, 'So we prefer for the present at least to cut some reasonable percentage off the sum of the locals.'"

Q. Has that been carried out?

A. They are working on that now.

Q. It has not been carried out?

A. Not in full, it is not completed. It is a difficult job requiring a lot of work, but the companies have to file those tariffs with the board and the work is being carried on at the present time. Complaints are receiving attention, I believe, in turn.

Q. You will remember that case of excessive rates given by the fruit growers at Clarkson.

'A specific case of excessive rates was given by the fruit growers at Clarkson who stated that at one time their fruit rate was 25 cents per hundred pounds. This was raised to 30 cents, despite an enormous increase in the traffic and also that both loading and unloading are done by the fruit growers and commission merchants.'

A. I think that Clarkson matter was dealt with by the late Judge Mabey in his judgment.

Q. Yes, the Chairman said in his judgment:

'It would seem that a charge of \$90.00 (per car) for this 16 mile haul with no pick-up or delivery expenses is little else than extortion.' Despite this statement the Clarkson rate is still 30 cents, and at the beginning of the season a year ago was raised to 35 cents. It was withdrawn, however, on complaint of the fruit growers.'

A. I do not recall the facts in connection with that.

Q. In his report on the hearing the Chairman used the following words:

'Now everyone must know that the safe and quick transport of fruit is surrounded with difficulty, and in the course of every season there will necessarily be many little matters arising that cannot help but cause friction, and while upon the whole it is apparent that the express companies are yearly improving their service, yet one cannot help concluding that there are many things connected with this traffic that yet remain to be remedied, in the interest of all concerned.'

'At the time of the hearing, the Chairman suggested that we hold a conference with the express officials to see if some satisfactory understanding could not be arrived at for the settlement of many of the conditions that were complained of. Such a meeting was held at Hamilton, but practically nothing was accomplished as the officials of the Canadian Express Company practically denied that there was any cause for complaint among the fruit growers.'

Surely when the express companies made such a definite and distinct statement as that, if the Commission took any action in the matter at all they would investigate these complaints.

A. May I ask what you are reading from?

Q. I am reading from a statement made by the Secretary Treasurer of the Fruit Growers, Mr. P. W. Hodgetts. He has quoted statements made by the Chairmen of the Railway Commission, Judge Maybee; I suppose it was at that time, between the year 1905 and the present time.

A. Yes.

Q. This letter is dated March 19th, 1913.

A. To whom is it addressed?

APPENDIX No. 5

Q. To me. Let me quote further:
 'At the same hearing'—

that is the hearing between the Fruit Growers and the Express Companies—

'we complained about such matters as delays in payments of claims, for facilities for protecting fruit both at shipping and trans-shipping points, use of poor cars for handling express goods, etc., and were told by the Commission that they could do nothing for us in respect to damage claims and careless handling or thieving from packages; that this was a matter that would have to be settled in court.'

A. Yes.

Q. I do not need to tell you, as one interested in the transportation question in this country, that the handling of fruit, in particular, in all parts of the Dominion, has been attended by enormous losses to the shippers.

A. I quite agree with you.

Q. Through thieving and damages.

A. I do not disagree with you.

Q. And it is folly for a man to go into court to try to collect reasonable damages? For instance, I have a statement here that I think is worthy of consideration by the Committee.

Mr. STEELE.—I do not want to interrupt Mr. Armstrong. Might I say, however, that many of us have been especially interested to hear what the Railway Commission have to say in response to the statements made here by representative fruit growers regarding railway rates, and we would like to hear Mr. Hardwell finish his statement on this point.

Mr. ARMSTRONG (Lambton).—I thought that Mr. Hardwell had finished his statement with respect to railway rates.

Mr. STEELE.—I do not think there has been sufficient information given, at least to satisfy us, as to whether the rates have been exorbitant and whether the railway companies are discriminating against the Ontario fruit growers or not. Perhaps it would be well to hear all that Mr. Hardwell has to say on the matter.

The CHAIRMAN.—I think it would be well for Mr. Hardwell to put on record any further statement he has to make with regard to competing rates.

Statement filed as follows:

COMPARISON OF RATES ON APPLES, C.L.

To	From North Yakima, Wash., via Spokane and Kingsgate			From London, Ont.		
	Rate.	Miles.	Rate per Ton per Mile.	Rate.	Miles.	Rate per Ton per Mile.
	Cts.		Cts.	Cts.		Cts.
Edmonton	95	904	2 10	1 04	2,138	95
Calgary	95	696	2 73	1 04	2,180	95
Lethbridge	75	624	2 40	1 00	2,100	95
Medicine Hat	75	739	2 03	96	2,000	90
Swift Current	75	872	1 72	90	1,857	97
Moose Jaw	75	982	1 56	85	1,740	98
Regina	75	1,024	1 46	83	1,700	98
Saskatoon	85	1,185	1 43	91	1,822	1 00
Brandon	75	1,249	1 20	68	1,475	92
Portage la Prairie	75	1,326	1 13	63	1,397	90
Winnipeg	75	1,382	1 09	53	1,342	80

3-4 GEORGE V., A. 1913

Mr. HARDWELL.—I would like to say a word in reply to a point which was raised by Mr. Armstrong. The Board of Railway Commissioners cannot exceed their powers. The Board have no authority, no jurisdiction under the Railway Act, to deal with claims for losses and damage. We know, of course, that these losses are a great hardship to shippers.

Mr. ARMSTRONG (Lambton).—I have some further statements that I would like to have placed on record after Dr. Steele gets through.

The CHAIRMAN.—If Mr. Hardwell has finished all he desires to say in connection with the freight rates at competing points, I think we can proceed.

Mr. BEST. We were led to believe by Mr. Johnson that the Western shipper got his apples shipped into the Western market at a much cheaper rate than the Eastern growers. What we want to know is whether the railways carrying apples from Washington to Lethbridge charge higher rates, or lower rates, than do the railways carrying apples from London to Winnipeg.

The CHAIRMAN.—We have got that fairly well cleared up.

Mr. HARDWELL. Are there any further points upon which you want information?

By the Chairman:

Q. If there are any further rates you desire to submit to the Committee you may as well state them now.

A. I will quote a few of them.

By Mr. Wright:

Q. Could you not insert these rates in your evidence?

A. Yes.

By the Chairman:

Q. The whole difficulty, if you pursue Mr. Johnson's evidence, is one of two competing points—Ontario growers shipping to Calgary, and Western growers shipping to Winnipeg. I think Mr. Johnson said that the rate to Calgary was \$1.40 per barrel, and he goes on to point out that the difference between the two would be some 60 cents a barrel. I think you have fairly well cleared that matter up. Now, as to the rate for Oregon and British Columbia shippers to Winnipeg of 75 cents, whereas the rate from Ontario to Calgary is one dollar and some odd cents per hundred.

Mr. ROBB.—There is no discrimination between shipments from United States points and British Columbia points to Winnipeg?

The CHAIRMAN.—No.

Mr. ROBB.—The contention was made by the British Columbia Fruit Growers' representative before the Committee, that there was discrimination in favor of United States points.

The CHAIRMAN.—Not in freight rates.

Mr. ROBB.—I understood so.

Mr. HARDWELL.—The rates from British Columbia to Winnipeg, and other prairie points, are practically the same as from Oregon and Washington, but they get lower west of Moosejaw. For instance, from Okanagan points to Moosejaw, Winnipeg and intermediate points, the rate is 75 cents, the same as from Washington. But west of Moosejaw the British Columbia rate drops to 67 cents to Medicine Hat, and 58 cents to Lethbridge and Calgary, whereas the American rate is kept up to a minimum of 75 cents. So there is no discrimination against the British Columbia shipper. Where there is any difference at all the latter has the advantage.

APPENDIX No. 5

By Mr. Robb:

Q. You say the British Columbia shipper has the advantage, if there is any?

A. Yes, West of Moosejaw.

By the Chairman:

Q. I think if you will just hand that statement in so that the figures can go on the record, it will be all that is necessary.

A. I will insert the figures in my evidence as a supplementary statement.

Mr. CHAIRMAN.—Now, Mr. Armstrong, perhaps we can go on with the matters that you were bringing to the attention of the Committee.

By Mr. Armstrong (Lambton):

Q. I was dealing with the matter of thieving and stop-over privileges. Has the Railway Commission nothing to do with the stop-over privileges?

A. No, except under the general clauses of the Railway Act to prevent unjust discrimination. What I meant, Mr. Armstrong, is that the lawful rate is the rate from the shipping point to the stop-over point, and then from the stop-over point to the destination added together, and that being the lawful tariff the Board believes that it could not step in and order them to carry the goods on the through rate with the stop-over privilege. That is the position the Board has taken unless it can be shown that the stop-over arrangements already granted are injurious to this man who requires it, that it is an unjust discrimination.

Q. Yes, but you understand that they have stop-over privileges with regard to other property?

A. Yes.

Q. And you think it would be unfair now to force the railways to give stop-over privileges to the fruit growers?

A. Well, I am not expressing my opinion, Mr. Armstrong, because the Board has already written a judgment upon it. I shall be glad to send you a copy of the judgment if you haven't one.

Q. I quite understand that they have not granted relief to the fruit growers along that line, so that I imagine from your arguments the decision to be along the lines suggested.

A. If you would like to have a copy of it I shall be glad to send it; it gives the reasons.

Q. The Secretary closes his letter by these words:

'In most cases the small growers would not take the trouble to go to law, even though all booked together these claims would amount to a very large sum each year.' So that complaints have been placed before the Commission in regard to the delay in transit. Has the Commission done anything in reference to that matter?

A. We frequently get claims of that kind, and I think we have dealt with that matter in a general way.

Q. I would just like to place before the Committee a letter from the Fruit Growers' Association in connection with the matter of the statements made here by the President of that Association which says:

'Early in October and November apples were ready for shipment, but for lack of cars did not have our orders out until the middle of December, and then the cars did not average a speed of more than five miles an hour, resulting in apples frozen and destroyed in transit as follows: Car shipped November 27th to Brandon, lost \$150; car shipped November 29th to Brandon, lost \$120; car shipped December 3rd to J. P. Kelly, Moosejaw, lost \$100; December 3rd, G. Stewart, Regina, lost \$100; December 6th, G. Stewart, Regina, lost \$200; November 21st, W. H. Ireland, Medicine Hat, lost \$17; November 19, Simons Fruit

3-4 GEORGE V., A. 1913

Co., via Portland, lost \$337, a total loss of \$1,024. This does not include the loss on shipment to the Soo. The exact amount I do not yet know, but I am told it will amount to about \$2,100.

Mr. DOUGLAS.—Do I understand that they were shipped in every case in refrigerator cars?

Mr. ARMSTRONG (Lambton).—Well, these men are careful shippers. Of course shipping out in November it is possible they considered it was safe enough to ship them by the ordinary freight car.

Mr. DOUGLAS.—Were they shipped on a freight basis?

Mr. ARMSTRONG (Lambton).—This will be on a freight basis.

Mr. SCHAFFNER.—Did you say 154 hours was slow time to Brandon?

Mr. ARMSTRONG (Lambton).—No, the loss was \$150, but five miles an hour was the average speed. I gave you the loss on each car.

Mr. SCHAFFNER.—They will be bound to freeze going up there in November.

Mr. ARMSTRONG (Lambton).—These may have been in refrigerator cars.

Mr. SCHAFFNER.—If they were in heated cars they would be all right, but apparently they were not. We often have in the first two weeks of November as keen a frost as we have any time in the winter and apples are bound to freeze under those conditions.

The CHAIRMAN.—Mr. Johnson says, 'I am not sure but a couple of years ago one of the big railways in the United States cut their transportation rates by 40 cents per barrel in order to meet competition.

Mr. SCHAFFNER.—I think that Mr. Johnson makes some rash statements here.

Mr. ARMSTRONG (Lambton).—Mr. Johnson made his statements on the authority of the tariff expert of the Fruit Growers' Association and was supported by that Association, and there is no question that he believes he had the proper source of information so that it is folly for us to blame Mr. Johnson in that regard. If the facts are as Mr. Hardwell here states, which is no doubt the case, it is hard to understand such a glaring difference between Lethbridge, for instance and Winnipeg. It seems incredible that such a mistake should be made by the man who was appointed by the Association to gather statistics. However, this will have to be investigated further, but those are the statements that I am making.

Mr. HARDWELL.—These figures of mine are taken from the official tariffs.

The CHAIRMAN.—After all there is not such a great difference as appears on the surface as between Mr. Johnson's statements and the evidence this morning. I think Mr. Johnson had reference to the mileage from the West, from Washington and Ontario, respectively, and I think if you go over Mr. Johnson's evidence very carefully you will find, as I said a moment ago, there is not such a very great difference, especially if you go further on in his evidence. It is the same with Mr. Johnson's evidence as with all evidence before this Committee, unfortunately: we go into one subject for a few minutes, partly deal with it, and then jump to something else, later on coming back to the first subject again. It is unfortunate, but we have been in the habit of doing that. If we could only get through with one subject, clean it up entirely before proceeding to discuss another question, the evidence given before this Committee would be very much more valuable, but I must admit that it is very hard in a committee of this kind to conduct the examination in that way.

By Mr. Armstrong (Lambton):

Q. Is it not a fact that the increase in the number of refrigerator cars has been very small for a number of years past?

A. I have a statement of that here. In 1907 the Grand Trunk had 985 refrigerator cars, in 1912 they had 1,450. The latter includes the refrigerator cars built on Grand Trunk Pacific account, but the cars are pooled, they are used in common; the Grand Trunk Pacific cars are used in the East, as they have very little use for them yet in the West.

APPENDIX No. 5

Q. Yes, but just a moment there, how is it that your railway report only shows that—in 1907 you said they had 985 refrigerator cars, and the statement I have from that report, as I understand it, is that in 1908 there were 955?

A. That report, Mr. Armstrong, is for the fiscal year. Our figures are for the calendar year to the end of December.

Q. I am not disputing your figures for 1907, but I am giving the figures I have received. They are as follows: 1908, 955; 1909, 949; 1910, 947; 1911, 944; 1912, 941. Now these are Grand Trunk figures. You may add Grand Trunk Pacific cars to this statement, but that would hardly be a fair proposition, would it?

A. I can give the figures separately if you want them in that shape. I am not saying it is fair or unfair, but I am giving these as the total number of the cars which the Grand Trunk Company actually have at their disposal. It is true that a certain number of cars have been built for the Grand Trunk Pacific, but, as you know, there is little work for these cars in the West except in hauling through traffic from the East. They are being used in the East, and going from the East to the West and coming back. They are to all intents and purposes Grand Trunk cars although they were built for the Grand Trunk Pacific. In estimating the number of cars that the Grand Trunk have at the disposal of shippers I think it is only fair to the Company to include the Grand Trunk Pacific cars.

Q. That may be your way.

A. I can give the cars separately if you wish. Let me then give the number of cars by the calendar years

GRAND TRUNK.

1907..	985
1908..	976
1909..	1,023
1910..	1,221
1911..	1,218
1912..	1,450

Q. You are giving the Grand Trunk separately from the Grand Trunk Pacific, are you?

A. I am going now to give the number of cars of the Grand Trunk Pacific:

GRAND TRUNK PACIFIC.

1909..	50
1910..	250
1911..	250
1912..	250

So that the net number for the Grand Trunk for the calendar year 1912, after deducting 250 Grand Trunk Pacific cars, is 1,200.

Q. Why does the report only give 941?

A. Which report?

Q. The Railway Companies returns.

A. That we have?

Q. The returns from which these figures I have quoted came.

A. I do not know.

Q. According to my figures the Grand Trunk had less cars in 1912 than they had in 1907.

A. My figures do not bear that out.

Mr. RUDDICK.—The explanation of that is that the figures which Mr. J. L. Payne furnishes are for the fiscal year, and the Company built 400 cars during the summer

3-4 GEORGE V., A. 1913

after that. Mr. Hardwell's figures are for the calendar year. As a matter of fact I know the Grand Trunk added nearly 500 refrigerator cars in 1912, after the Railway Department's figures were published.

Mr. HARDWELL.—Now let me give the C.P.R. figures.

C. P. R.	
1907..	850
1908..	850
1909..	950
1910..	1,596
1911..	1,686
1912..	1,883

By Mr. Armstrong (Lambton):

Q. Where did you get those figures, are they from the regular reports?

A. They are from the reports to our Board. We do not see the reports made to the Department of Railways upon which Mr. Payne's annual report is based. We get our own statements.

Q. And yours is unquestionably accurate, I suppose?

A. I do not say so. I got these figures from Mr. Nixon, our chief operating officer. These statistics do not appertain to my department; I attend to rates and traffic matters.

By the Chairman:

Q. There is a great deal of complaint about the slow rate of travel to the West. What explanation have you to offer as to that?

A. The same condition prevails all over and it is owing to the enormous growth in traffic. The traffic has grown faster than the railway companies can keep pace with. This condition is not confined to Canada, and the average speed in this country is somewhat more than in the United States.

By Mr. Schaffner:

Q. You are speaking of freight traffic?

A. Yes. Last November, for instance, the average speed for the North American continent on all lines, was 26 miles a day. On the principal Canadian lines it was 26½ miles a day, so that in Canada it was slightly over the average. In October the ratio was about the same, 26 to 26.7. In September the Canadian average had dropped to 22.1 as against the continental average of 24.4.

By the Chairman:

Q. How is that average worked out?

A. From the conductors' journals. Reports are supplied to the American Railway Association, which tabulates, prints and distributes them.

Q. I suppose it means that these figures were worked out on the basis of their cars. Some cars may be dropped off a train and left for a week or so at some siding and then picked up again.

A. These averages are not running time; they include stoppages.

Q. No, the averages are not figures on running time, because running time would show much higher results.

A. A great deal depends upon traffic density. In New England, for instance, the average seldom runs over 18 miles a day, and generally from 16 to 18 miles. That is on account of the density of traffic.

By Mr. Armstrong (Lambton):

Q. The express rate from Forest, Ontario, to Winnipeg, is \$4.20 per hundred pounds as compared with an express rate from Sarnia—which is only about 12 or 20

APPENDIX No. 5

miles farther away—and from the Leamington and Niagara districts, of \$2.90 per hundred. I take these figures from a letter which is dated March 16th last, and it says: 'The \$4.20 rate still exists, although complaint was laid some two or three years ago.'

A. That arises partly from the fact that two companies had to handle the freight. It originates at Forest with the Canadian Express Company, and they take it as far as they can. At North Bay they give it to the Dominion Express Company. By so doing, it results in a rate, as you see, of \$4.20. If instead of that, the Canadian Express Company had taken the freight to Sarnia and given it to the Dominion Express Company there, thus avoiding the long haul to North Bay, the rate would be \$3.25 instead of \$4.20.

Q. Who is the proper authority to advise them to do so?

A. We have that question under consideration at present. I have had conferences recently with the express companies and they have been requested to enlarge their tariffs so that the shipper, where the freight has to pass through the hands of two or more companies, will get the lowest combination of rates, no matter whether the initial company has a short haul or a long haul.

By Mr. Robb:

Q. The point made by Mr. Armstrong affects the general trade of the whole country.

A. Yes, the express companies should be compelled to make rates the same as the freight rates are made.

A. Yes. Of course if the Canadian had taken their rate to Sarnia and added that to the Dominion rate from Sarnia to Winnipeg it would be \$3.25. But the Canadian need not have taken the goods to Sarnia, they could still have taken it to North Bay so as to get their full mileage percentage rate, but in order to arrive at the best rate they must take the lowest combination.

Q. But supposing at the same time there was competition between the Dominion and the Canadian companies both in the same place?

A. Of course in that case the one meets the rate of the other.

Q. It is not fair, the present state of affairs.

A. Mr. Armstrong, they are now working on that. It means much work. In a new tariff we have practically to go over the whole situation in order to prepare it. The agent at Forest, if he gets that shipment to Winnipeg, will have the rates of the Dominion Express from Sarnia, from Toronto, from North Bay, from all the points where the two companies connect, and he will take the lowest combination, and add together to arrive at the through rate, but he sends it over his own line to North Bay in order to get the long haul for his own company. It does not interfere with the routing at all, the shipper will get the lowest combined rate.

Q. What will that lowest rate be? What will be the difference between the lowest combined rate and the single rate, providing there are two companies in the same town?

A. In this case I think the lowest rate would be, instead of \$4.20, \$3.25 from Forest to Winnipeg, that is on the Sarnia basis.

Q. What is the lowest rate on the Sarnia basis?

A. The rate from Sarnia is \$2.90, and 35 cents to Sarnia.

Q. Yes, 35 cents for the haul of 15 or 20 miles.

By the Chairman:

Q. That is \$4.20 from Forest?

A. That is what they charged.

Q. That is what they charged, surely that must be the old rate?

A. Yes, the combined rate will be \$3.25

3-4 GEORGE V., A. 1913

Q. Yes, why charge a higher freight rate on apples than on live stock or any other commodity?

A. Well, apples are fifth class freight in the classification, more or less perishable.

Q. And what is live stock? Perishable, they have to give them stop-over.

A. This classification of rates was made many years ago; the conditions of traffic perhaps have changed since then. I think, myself, that when apples were placed in that fifth class, years and years ago, the fruit growing industry in Ontario was not anything like what is to-day.

By Mr. Armstrong (Lambton):

Q. Is it not possible to get that classification altered? It seems most unfair to the apple growers that they have to be put in a class by themselves.

A. It is a fair matter to consider, but the difficulty is that the lower classes cover altogether different kinds of freight. For instance apples are fifth; then the sixth class covers machinery and vehicles, the seventh class covers low grade traffic, empty barrels, rags and that kind of thing.

Q. What class are telegraph poles in?

A. They are in the 10th, that is the lowest of all.

Q. Take cattle, what class are they in?

A. The ninth.

Q. Will it be utterly impossible for the railways to handle apples under the same classification, perishable, as cattle?

A. Nothing is impossible, but I do not like to express an opinion in advance on a matter that may be the subject of any application that may be made to the Board. I would not feel justified in expressing an opinion that might handicap me in advising the Board afterwards.

By Mr. Wright:

Q. Has the Railway Commission power to change the classification?

A. Yes, certainly.

By the Chairman:

Q. I do not see that apples are any more perishable than cattle which in long distances require to have stop-over privileges. The apples are in barrels or boxes.

A. This classification was made before my time. I can only imagine that when it was done live stock was a very important item of traffic, relatively it is not now so important as it was, and apples, relatively, are more so now than at the time this classification was made, it is the slow growth of thirty or forty years.

Q. What is the minimum weight of a carload of apples?

A. 24,000 pounds.

Q. And what is the minimum weight of a carload of live stock?

A. 22,500 pounds.

Q. You made a statement in reference to express rates?

A. Yes, all I can say now is that the express rates are being overhauled, and I could not say anything, particularly, in reference to them until the judgment is issued which, I think, will be very shortly.

By Mr. Schaffner:

Q. I understand this classification of apples and cattle was made many years ago?

A. Yes. The fruit growers might make application to the board for a hearing and see what the Commission has to say about it.

By Mr. Douglas:

Q. Do the Railway Commission ever undertake to revise the freight classification of their own volition, without any application having been made?

A. From cover to cover?

APPENDIX No. 5

Q. Yes.

A. No.

Q. There must be a complaint made?

A. Not necessarily, although that is the usual course, because we cannot be expected to know what is wrong unless it is pointed out to us by those who are interested.

Q. Of course there are so many things wrong in the classification, it is something like the tariff, it would require going over thoroughly, because the classification made thirty or forty years ago has never been changed.

A. But it is changed repeatedly. A new one was issued this month.

Q. But not in apples?

A. No, but it is constantly added to and changed, and a new one was issued on the first of March.

By Mr. Schaffner:

Q. Did apples and cattle remain the same?

A. Yes. There is another point I think I ought to speak about. Mr. Chute of Berwick, N.S., made the remark that apples were in the fifth class at an especially high rate made to cover perishable commodities that had to be transported quickly and which required special attention to prevent spoiling, the argument being that apples should not be in that class, that the fifth class was made specially for perishable fruit. I think he is wrong there, because the fifth class covers, not only apples, but other goods such as iron and steel goods, stoves, furnaces, wooden ware, molasses, paint, sugar, and other heavy articles, so you see it is not such a very high class after all. It may be high compared with cattle, but it is already in the lowest car lot merchandise class.

By the Chairman:

Q. If you make a change in apples you might have to make a difference in other classes?

A. Yes. Perishables are in a higher class. Oranges, bananas, butter are in a higher class; also fresh meat, cheese, eggs. I am speaking of car lots. These perishables are in the third and fourth classes and apples are not in a class made especially for perishables because the fifth class, I have shown, covers iron, steel, paints, oils, sugar, molasses and the cheapest classes of merchandise.

By Mr. Armstrong (Lambton):

Q. I am satisfied that some effort should be made by the Board to try and have them placed in a lower class than in the class of expensive shipments that are being made to the Northwest. The rail haul is very great and the cost of transportation is a big item to the shippers.

A. I was told recently that the fruit growers of Ontario had formulated a number of requests to the railway companies which the railway companies were considering at their meetings. It is possible that the railway companies may grant some of these requests and refuse others. It is quite probable, also, that as a final result the requests will come before our Board.

Q. May I ask if the Board of Railway Commissioners have had any request in regard to the shipment of cream and milk? I had the privilege myself of appearing before the Board some few years ago and urging the need of reducing the express rates on these articles. If you are taking up the matter of express rates, the large shippers ought to be notified because the question is a very important one.

A. I thought this question had been settled.

Q. It has been settled but the rates are very excessive.

A. The rates have been prescribed by the Board.

Q. You mean in the matter of shipments of milk and cream?

3-4 GEORGE V., A. 1913

A. There was an extended hearing in Ottawa on this subject.

Q. I remember, I was before the Board on that occasion.

A. As a result of that hearing an order was issued prescribing a uniform tariff in Eastern Canada for the carriage of cream by express. Is that tariff not satisfactory?

Q. Previous to that we were not compelled to pay on empties that were returned. Now we are compelled to pay, which brings the rates up higher than they were before.

A. Higher than they were?

Q. So I understand.

A. You surprise me.

Q. There is always some way of getting round an order?

A. Doctor Mills wrote the judgment in question and he is a good friend of the farmer. He would be surprised to hear your statement.

By Mr. Robb:

Q. Can you tell us off-hand whether there is any difference between the carload rate from Ontario points to Montreal and St. John, New Brunswick, between the domestic and the export trade?

A. Yes, there are differences, and where a difference does exist it is in favor of the exporter.

Q. To what extent?

A. I could not say off-hand. For instance, I know that the export tariff on apples and flour—in fact all the items that Canada exports—is lower than the tariff on these articles for domestic consumption in Montreal, St. John or Halifax.

Q. The same principle applies to apples and grain?

A. Yes.

Q. About the same proportion?

A. Yes. That reduction is in order to meet the competition at American ports and put Canadian and American ports on a similar footing.

By the Chairman:

Q. Is there any remedy for the slow transportation of products to the West which affects Nova Scotia as well as Ontario?

A. Things will be different when the Grand Trunk Pacific and the Canadian Northern are completed. What we want is more spouts. I suppose the Canadian Pacific are doing their level best to meet the difficulty.

Q. It is complained that the rate of travel is only two and one half or three miles an hour.

A. I would like to have an opportunity of looking into that. Surely the delay is attributable to an accident.

Q. There have been quite a number of cases cited here where the rate of speed was only from two and one half to five miles an hour.

A. Shortly after winter set in the North Shore of Lake Superior was badly tied up.

Q. If that difficulty could be remedied it would be a great benefit to the fruit men.

A. I think you will find it will be remedied, as time goes on, by the opening of these new lines and the additions to railway equipment.

The CHAIRMAN.—We have covered pretty well the investigation of freight rates and if there are no further questions we will adjourn. I want to thank you, Mr. Hardwell, on behalf of the Committee, for the information you have given us.

Committee adjourned.





GretagMacbeth™ ColorChecker Color Rendition Chart